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# THE INDEPENDENT

WEDNESDAY 25 SEPTEMBER 1996

WEATHER SHOWERS

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## 2 news

# 'Lovely lad' killed in raid on IRA

JASON BENNETT  
and DAVID McKITTRICK

Details emerged yesterday about the IRA suspect, Dermot O'Neill, 27, who was shot dead by police during a huge anti-terrorist operation in which 10 tonnes of explosives were found.

The parents of Mr O'Neill, who was born and lived in London, flew from their home in the Irish Republic yesterday to identify their son's body. Their other son, Shane, 23, is understood to be among the five men arrested during the early morning raids on Monday.

All of the suspects were still being questioned yesterday at

Paddington Green police station. Armed officers carried out raids at four addresses and recovered a vast amount of home-made explosives, two lorries, car booby traps, and guns at a north London warehouse.

Eoghan and Teresa O'Neill, who are retired, yesterday travelled to London from their home in Kilbrin, 30 miles from Cork. Their son was shot at a guesthouse in Hammersmith, west London and later died in hospital. Shane was also arrested at the address.

Dermot O'Neill was born and lived in London and, like his brother Shane, went to London Oratory School in south-west

London. John McIntosh, the headmaster of the school, whose pupils include Tony Blair's son, Euan, said both were "well-behaved and pleasant".

There are reports that Dermot O'Neill was sentenced to 12 months in a young offenders' centre after being convicted of fraud and deception charges in 1988. The offences were linked to the Shepherds Bush branch of the Bank of Ireland involving a sum of £75,000, a part of which was reportedly channelled to the IRA.

Alan Finn, 36, who lives opposite the brothers' in Averil Street, said he saw Shane being arrested. He said: "He and his

brother were very neighbours. They didn't come across as being Irish because they both talked with Cockney accents."

Mr O'Neill's parents moved to Ireland from London two years ago when they retired. Mr O'Neill originates from Co Cork and his wife from Dublin. They also have two daughters.

Dermot O'Neill was in Cork for his father's birthday a couple of weeks ago, according to local residents. Publican Charlie Madden said: "I'm shocked. This was a lovely lad who came home to see his father a couple of times a year." He added that the family never spoke about, nor got involved in, politics.

The Irish Republican Socialist Party, regarded as the political wing of the INLA, claimed yesterday that O'Neill had been unarmed when shot, and called on the media to investigate his death.

The other four men being questioned are known as Brian McHugh, James Murphy, Patrick Kelly and Michael Phillips, a 21-year-old, newly qualified engineer working at Gatwick airport.

Anti-terrorist officers continued to carry out a detailed search of the three raided properties in London and another property in Crawley, Sussex.

Early yesterday, the Irish

police also carried out a series of raids on homes close to the southern side of the border in Co Monaghan and also in Co Longford. The moves were linked to the London operation but no one was arrested.

The explosives find in London has plunged the Northern Ireland peace process deeper into crisis. The clear indication that the IRA was intent on fresh bombings has hardened Unionist determination that this issue of decommissioning terrorist weapons must be dealt with at the top of the multi-party talks agenda - which has still not been agreed following weeks of wrangling by participants.

## significant shorts

### Tory flagship tips out refuse contract

Law will force schools to set targets

Schools will be required by law to measure their progress against performance targets from next year, Gillian Shephard, the Secretary of State for Education announced yesterday.

Wandsworth Council has given the Serviceteam company 12 months' notice to quit although the contract had five years left to run.

Arguing that it constituted a "spectacular failure" of the compulsory competitive tendering policy, union officials claimed that the company had failed to empty an average of 100 bins a day and received 800 complaints in one week during July.

Phil Walker, a director of Serviceteam, confirmed the company was losing around £1m a year on the contract and had come to a settlement with the council.

A spokesman for the Tory group said it was only the second time, out of 110 contracts, that this had happened. "We are convinced that Compulsory Competitive Tendering gives value for money for residents," he said.

Barrie Clements

### L-drivers face tougher marks

Tougher marking is to be introduced for learner drivers taking their theory test, the Driving Standards Agency announced yesterday.

About 85 per cent of those who have sat the test since it was introduced in July have passed. The DSA is now to make the pass mark higher, rising from 26 to 30 out of 35, starting from 1 October.

Bernard Herdman, the chief executive of the DSA, said people would be "safer drivers as a result".

### Car-free day for Britain

Britain's first car-free day is to be held, with the support of government ministers, on 17 June next year when people will be asked to leave their cars at home and travel by public transport, foot or bicycle. Christian Wolmar

### Welsh poets call off strike

Welsh bards are claiming a victory after the BBC agreed to cut the amount of English on its Welsh radio service.

The poets refused to take part in the recording of a new series of radio shows in protest at BBC Radio Cymru using too much spoken English. But they have called off a five-week strike after the BBC promised to ban English jingles and to play fewer English records. A Radio Cymru spokesman said it was fantasy to suggest the BBC had given in. "Most of the changes introduced ... have been in direct response to listeners' wishes," he said.

Hickson, 45, was found guilty of assault after a private prosecution brought by his neighbours because the Crown Prosecution Service twice dropped hearings claiming lack of evidence.

### Social worker jailed

A social worker who beat a disabled neighbour senseless and stabbed him with a screwdriver in a feud over a garden fence was jailed for six weeks. Victim Howard Marshall begged for mercy as he was battered by at least 20 punches from David Hickson, a court heard.

Hickson, 45, was found guilty of assault after a private prosecution brought by his neighbours because the Crown Prosecution Service twice dropped hearings claiming lack of evidence.

### Airline offers bird a lift

An injured housemartin is all set to migrate south for the winter - by scheduled airline.

The tiny creature was unable to make it to North Africa under his own steam after a cat tore out its wing feathers. But Algeria's national airline, Air Algerie, has offered to fly him to his winter home. All the tiny hitchhiker, named Merlin, needs now is a lift to Heathrow from Ivybridge, Devon, where David Gabriel, a veterinary surgeon, has been looking after him.

## Labour to keep Red Flag flying

JOHN RENTOU  
Political Correspondent

The *Red Flag*, the musical equivalent of the old Clause IV, has been reprinted and will go ahead in curtailed form at the end of the Labour Party conference after party leaders considered a break with yet another hallowed Labour tradition.

Plans for next week's Black-

pool conference, to be discussed at today's meeting of the party's National Executive, are expected to include a low-key rendition of a single verse of the anthem of socialism, as last year.

Tony Blair has discussed with his advisers whether or not to drop what one insider called the "depressing dirge". But a party spokeswoman said yesterday: "It will be sung at the end of the

conference on Friday, as usual." The song is believed to be regarded by Mr Blair as an embarrassment, with its archaic reference to a flag dyed in the blood of "our martyred dead", and the raising of clenched fists during the singing.

Last year this presentational problem was "minimised" by having a single verse sung by a choir, giving delegates little chance to join in. But ditching the ritual altogether would produce an outcry from many party members. One of the Labour leader's advisers argued that that there "are no votes in [dropping it]".

At last year's Brighton con-

ference, Mr Blair and his wife Cherie Boothe caused a stir when they walked off the stage before the singing of *Auld Lang Syne*, the other part of the ritual which some party managers regard as evoking uncomfortable images of the past.

Strenuous efforts were made by Neil Kinnock as party leader to shift attention away from the two songs. Peter Mandelson, Labour's media chief and now the MP for Hartlepool, introduced - unannounced - the singing of the more upbeat *Jerusalem* in 1988.

But this process was considered to have gone too far at the

1991 pre-election conference, which ended with a medley including *Queen's We Are The Champions*. The blame for sounding a triumphal note fell on Jim Parish, the former Labour official who also organised the disastrous Sheffield rally in the 1992 election campaign - although in that he was simply carrying out instructions from Jack Cunningham, Labour's campaigns co-ordinator.

The *Red Flag*, to the tune of *O Tannenbaum*, has been sung at the end of Labour conferences since the party's foundation at the turn of the century. Jack O'Sullivan, page 15

## Pollution threatens Antarctic tourist boom

MICHAEL STREETER

It seems like the ultimate get-away-from-the-20th-century holiday. Five million square miles of snow-covered virgin land of Antarctica and the South Pole, with its penguins, seals and dramatic landscapes, is becoming a tourist Mecca.

But the dreaded P-word of modern life - pollution - has encroached into even this remote enclave. High-powered scientific stations have left behind abandoned butts, oil drums, computers and the everyday rubbish of contemporary life.

Dr Bernard Stonehouse, a polar biologist with the Scott Polar Institute in Cambridge, and author of the first travel book

to the area, *Antarctica: the Traveller's Guide*, says that tourists to the distant south have been quick to point out the debris. "From that has grown the concept that Antarctica needs cleaning up - and it is being

"Many nations are working there scientifically and have left abandoned butts, piles of drums and debris. There have been aircraft, tractors, trailers, dog teams, cooks, builders and plumbers working out there.

"They quite simply haven't bothered to tidy up in the past, but now they are being made to bother. Tourists and visitors have been complaining that they haven't paid money to see a rubbish dump," he added.

In the past decade, the num-

ber of tourists to the area has doubled to 10,000. Intrepid visitors pay up to £6,000 to cruise around frozen land masses in the Antarctic summer, and brave temperatures of -10C.

Abercrombie & Kent, who organise tours to the area on the ship *Explorer*, say their trips are designed to be environmental friendly and they are not aware of any complaints of pollution from their clients.

The British Antarctic Survey said its scientists were extremely careful not to leave any debris behind at its exploration centres.

"To us, Antarctica is a fantastic, unique laboratory and we do everything we can to keep it clean," said Dr John Shears, environmental officer with BAS.

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claiming controversial views.

He once rebelled against increases in top people's pay and opposed a government measure to control guns. He voted three times against the Government on the Bill implementing the Maastricht treaty.

But John Major has plainly forgiven all those misdemeanors. The Prime Minister's office dismissed suggestions that the Minister of State at the Foreign Office should resign over his extraordinary assault on the Chancellor. "The matter does not arise," said a source.

## No 10 stands by Clarke's accuser

Colin Brown on Sir Nicholas Bonsor, a Tory MP with impeccable credentials

Sir Nicholas Bonsor's position appears to be safe last night in spite of his attack on the Chancellor.

He is known as a Eurosceptic,

but it is highly unlikely he

would have spoken out against

Mr Clarke without approval.

Sir Nicholas Cosmo Bonsor

Bl, 53, MP for Unst, has

impeccable credentials as a

Tory knight.

Educated at Eton and

Keble College, Oxford, Sir

Nicholas was born into the

Hambro banking family, he

married the daughter of the sec-

ond Baron Killean, and he

claims 800 acres in Bedfordshire.

Built like a prize bull, he was

renowned for his strength at

university, and was a rowing

"blue". His closest friends

include Sir Nicholas Soames, an-

other larger-than-life hunting,

shooting and fishing Tory.

As chairman of the cross-party

Commons Select Committee on

Defence, Sir Nicholas, a for-

mer officer with the Royal

Bucks Yeomanry, earned a rep-

utation for hard-hitting reports

condemning the Treasury's cuts

in defence spending, causing

"overspend" in the forces.

He believes women should

stay at home and rear the chil-

dren (he has five). His open de-

testation of "screwing and

squawking" feminists is not

normally conducive to quick

promotion at Westminster.

As he demonstrated yester-

day, he is not shy about pro-

claiming controversial views.

# Inquiry into cash paid in police sex case

STEVE BOGGAN

Allegations of sexual harassment within North Yorkshire police force - resulting in a £130,000 compensation payout to a "traumatised" police woman - are to be scrutinised by two separate inquiries.

The county's police authority announced yesterday that it was calling in Her Majesty's Inspector of Constabulary, David O'Dowd, and its own auditors to examine the way the affair was handled.

However, following a five-hour meeting between the North Yorkshire police authority and its Chief Constable, David Burke, both insisted they were satisfied with their own roles. Mr Burke said his hands were clean and the authority said it had acted honourably, although it expressed reservations about police investigating themselves.

The force has been accused of paying off Libby Ashurst, 27, a former officer with the CID at Harrogate, and a colleague, Amanda Rose, who is understood to have received about £10,000, to suppress embarrassing details of the harassment to which they were subjected.

10  
1986-1996

On 7 October we will be celebrating a decade of innovation - ten years during which The Independent has changed the shape of quality journalism. We are marking our birthday with a week full of surprising improvements and inspirations. Make it a date.

It is understood that a two-year inquiry uncovered incidents of bullying, strange initiation ceremonies and a raft of allegations of sexual harassment. In one incident, the women were asked by a senior officer to wear more provocative clothing, including stockings and suspenders, and in another, a male detective sergeant was accused of stripping and attaching a lost property label to his penis.

Several officers have been disciplined or fined or both, but no one has been dismissed.

After yesterday's hearing, Mr Burke told a news conference that he was confident the affair had been handled correctly. "Over the years many allegations have been made about me," he said. "None of them of a disciplinary nature have ever proved to be successful and that's what I would hope in this case.

"I certainly believe my hands are clean. I have tried to deal with this matter throughout as impeccably as I could."

Angela Harris, police authority chairwoman, said she considered Ms Ashurst's settlement - understood to include an £18,000 pension - fair.

"Miss Ashurst has lost not only her livelihood - she had a bright career ahead of her - she has lost her health and her self-confidence, and from what I read she has completely broken down," Ms Harris said.

"There is no limit on the settlements for sexual harassment at industrial tribunals, and we also have to consider the cost to North Yorkshire Police and the authority if we had gone on further, which could have been very great."

She said that the authority's auditors, Price Waterhouse, would conduct an inquiry to supplement Mr O'Dowd's, and added that she planned to complain to Michael Howard, the Home Secretary, over the "inadequacy, inflexibility and inappropriateness" of regulations governing police complaints and discipline and expressing concern about the police investigating themselves.

After the award was made, Ms Ashurst's father, Terry, the principal of Doncaster College of Further Education, had said: "I do not believe the Chief Constable's statement that none of the hierarchy was involved.

"I believe the culture is pervasive of sexual harassment and bullying and I cannot accept that senior officers are so lacking in knowledge of what is going on at the various levels within the force."



Gloves of academic: Pickers working yesterday at Manor Farm, Ightham, Kent, one of many fruit areas that has been left with a harvest but not enough people to bring it in. Kent orchards rely on students as casual labour but this autumn the crop is a crucial week late and the students have returned to university

Photograph: David Rose

## Workers on the brink of breakdown as Britain becomes sweatshop of Europe

REBECCA FOWLER

Britain's workforce is being driven to the brink of nervous breakdown, with employees working the longest hours in Europe, amid sinking morale and rising divorce rates.

The number of British workers putting more than 50 hours a week has grown by a third according to European Commission figures, with 1 in 59 people working more than 70 hours.

The average length of the British working week is calculated at 43.1 hours.

Since the recession, and the "downsizing" of industry, companies have fought for survival.

And with bosses continuing to drive workers to the limit - fewer people doing more work on less secure contracts - there are increasing claims that Britain is the new sweatshop of Europe.

Managers themselves are also suffering, according to Professor Cary Cooper, head of occupational psychology at the University of Manchester's Institute of Science and Technology, who claims Britain will face mass exhaustion if conditions are not improved.

He said: "We could withstand the Dunkirk effect, where people were all for working very hard to come out of the recession.

to retain jobs and get businesses back. But in the long term people cannot cope.

"You get your economy going, but all the surveys point to the fact that people are extremely overloaded. If you are to sustain economic development you have to understand its impact on family life. We also

have the highest divorce rate in Europe."

The first worker to win compensation for work-related stress, a social services manager, was paid £200,000 last year, after suffering a nervous breakdown following a fivefold increase in his caseload. John Walker described afterwards how overwhelmed he had become. He said: "Tiers of man-

agement had been taken out and the others were left to cope. I could do nothing for the people below me and nobody above me wanted to know. I knew I was making mistakes, but I couldn't do anything about it."

In Surrey, the Mother's Union claims the county has the highest divorce rate in Europe, more than 40 per cent, and blames the strain of commuting

and long working hours among its high-achieving residents for the marriage breakdowns.

There are few areas of working life that have been unaffected. The first national 24-hour helpline for stressed doctors was set up earlier this year; the Police Convalescent Home continues to offer a sanctuary to overworked officers, while many low wage ear-

ers are holding down three jobs at a time to make a living.

The professional classes are suffering too. Research earlier this year revealed lawyers to be so overworked they were considering quitting in droves. They described work as the equivalent of a prison sentence, and nine out of 10 said they were suffering overload.

In a survey of 400 companies British workers emerged as having the lowest in morale in Europe. While the Swiss, Dutch and Germans appeared relatively happy with their lot, the British were the most miserable, followed by the Italians.

Roger Maitland, managing director of Survey Research International, which published the findings, said: "Britain has obviously become much more of a pressure-cooker. Everyone has one and a half jobs or more at all, and at every level of the food chain there is significantly more pressure ..."

"In the short term we've become very efficient, and it's made us more competitive and the growth rate higher. What I'm arguing for is for Britain to sustain that growth on the back of satisfied employees. Human beings are like machines and they wear out if they are not looked after."

## Office well washes away stress

JOJO MOYES

Futons, fish tanks and a wishing well are among the features of a £20m new office building intended to provide the perfect working environment.

It is being built to house 1,000 employees of the catalogue company Freemans who will handle 25 million telephone calls from customers a year.

To keep them relaxed there will be Japanese-style anti-stress rooms equipped with futons and fish tanks for a "tranquill" atmosphere, glass partition walls which appear to have water flowing through them and a wishing well called "the Freemans Fountain of Youth". There will also be a gym, a professional counsellor and nurse.

A spokesman said the design was agreed after surveys into stress at work. "The company decided that because the new call centre is going to be handling virtually all

Freemans' business in terms of catalogue customers phoning orders in, and customer services, that the environment should be calming and relaxing," he said.

The large-scale investment in the quality of the working environment came partly as a result of recognition that the centre's atmosphere was likely to be highly charged.

"This will be an intense working atmosphere and Freemans' attitude is that if stress is high in such an atmosphere you're going to be losing more staff to sickness - it will be more of a drain than a motivator," Freemans believed relaxed and happy staff worked better, he added.

One of the UK's biggest providers of home shopping, the company has been in Sheffield for 21 years, in a Sixties office block considered ill-equipped for modern working practices.

When the company decided that it had outgrown the building several years ago, it opted to design and build a working environment from scratch.

"Last century, fewer than one in 100 people worked in an office," Keith Bassett, Freemans' general manager, said. "Today, office life is the norm. Unfortunately, few companies have moved with the times, with the result that many companies are horrendous places to work, and drain, rather than motivate staff."

"Although in a call centre handling 25 million calls each year we can't eliminate stress altogether, we can minimise the risks. We've created a working environment that will offer our people the facilities and support they need to tackle stress in a positive way."

The building is due to be completed next Spring and is expected to be fully operational by the Summer.

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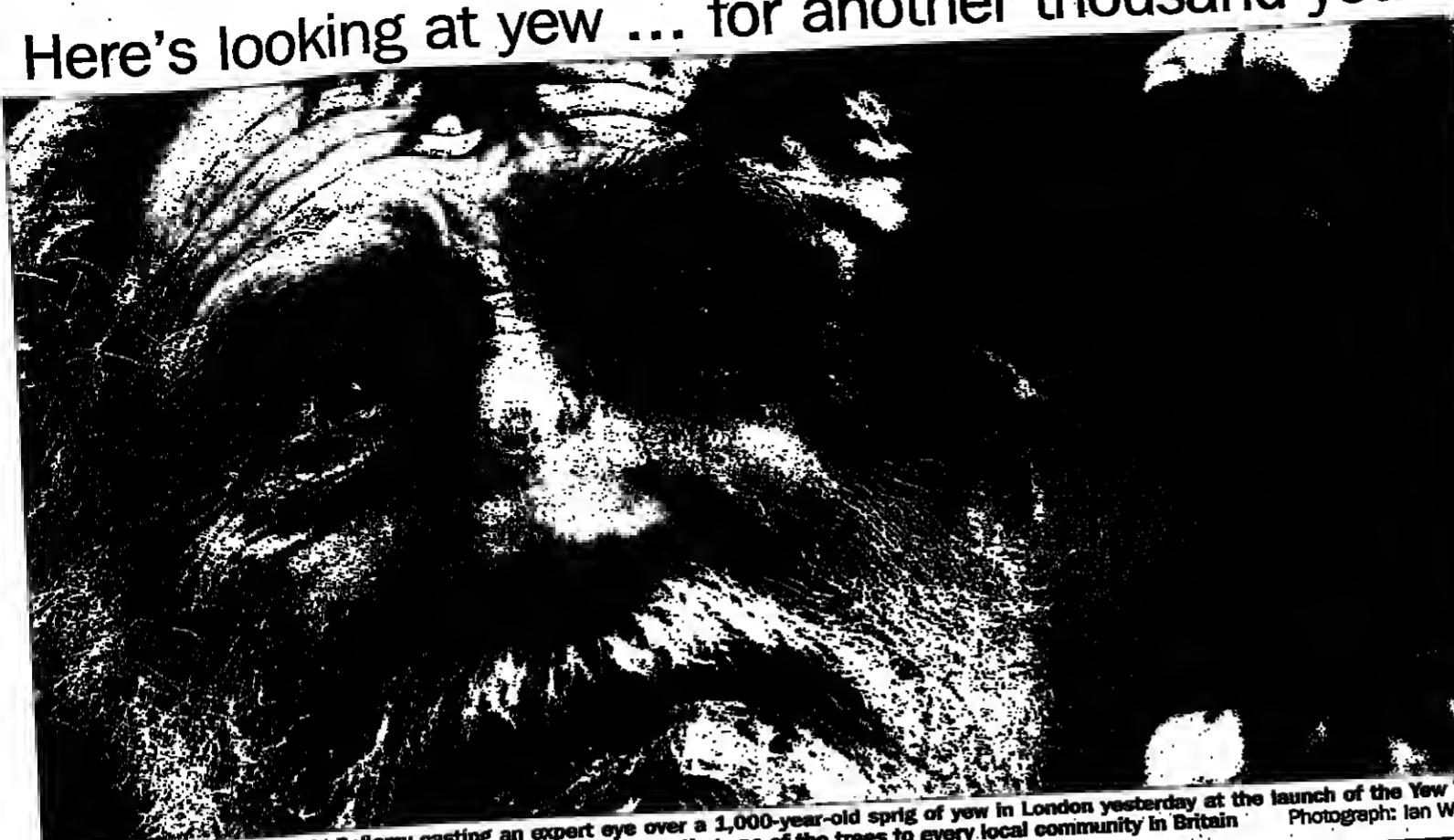
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## 4 news

Here's looking at yew ... for another thousand years



20/20 vision: Professor David Bellamy casting an expert eye over a 1,000-year-old sprig of yew in London yesterday at the launch of the Yew Tree Millennium Project which aims to celebrate the occasion by donating one of the trees to every local community in Britain. Photograph: Ian Waldie

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# Surge in crime gives lie to official claims

JASON BENNETT  
Crime Correspondent

The number of crimes in England and Wales rose in the past year, with violent offences shooting up by 17 per cent, according to two reports published yesterday.

One of the studies, which is considered the most accurate, showed that crime has continued to rise since 1981, despite government claims that they had "turned the tide" in the past few years and offences were going down.

The British Crime Survey (BCS), in which 16,500 people were interviewed, reveals that only one in four crimes are recorded by the police. In 1995

fell by 8 per cent, whereas BCS figures rose by 2 per cent.

The most worrying trend is the rise in violent crime. The BCS found that in most acts of violence, the victim knew the attacker - there were 1.7 million in 1995. Cases of domestic violence have also risen, with about one million incidents last year, according to the BCS.

The police records show a smaller 10 per cent increase in violent crime to 331,300 offences - the largest rise for eight years - in 1995/96. Offences of violence against the person, which make up two in three violent crimes, rose by 21,400 or 10 per cent. Rapes increased by 14 per cent. Robberies increased by 15 per cent to 72,300.

Fear of crime has dropped, with the proportion of women who felt "very unsafe" or "a bit unsafe" out alone at night falling to 47 per cent in 1996 from 54 per cent in 1994. The elderly are also fearful of attack even though only one in 10 victims is aged over 60.

Twenty-four of the 43 police forces in England and Wales recorded fewer crimes in 1995/96. The biggest increases were in Gwent (15 per cent), Cambridgeshire (12 per cent), and West Midlands (8 per cent). Decreases of 13.5 per cent were recorded at Durham, and 5 per cent in Northumbria. The Metropolitan police recorded 11,000 fewer crimes.

Jack Straw, the shadow Home Secretary, yesterday said: "A year ago, Michael Howard was trumpeting that the crime figures showed a real turning point in the fight against crime. I hope he has now discovered that empty words are no substitute for an effective strategy."

Mr Howard said: "My concern is of the long-term picture. Both the bulletins taken separately and together provide encouraging evidence on the trends in crime."

Polly Toynbee, page 15



Michael Howard: New figures on crime are encouraging

it estimates there were more than 19 million offences, although in the past year the rate of increase has slowed considerably, with a 1.1 per cent rise.

The second survey shows that the number of crimes recorded by the police in England and Wales rose by 0.4 per cent - the first time this has happened in four years.

The figures were seized upon by opposition parties as evidence that the Government's anti-crime initiatives were failing, although Michael Howard, the Home Secretary, insisted the trends were "encouraging".

News that crime rates are increasing is disastrous for the Government on the eve of the party conference and months away from the general election.

On the positive side, both reports recorded a 1 per cent drop in the number of burglaries and car thefts, but the big hike in all types of violent crime, including rape, is worrying.

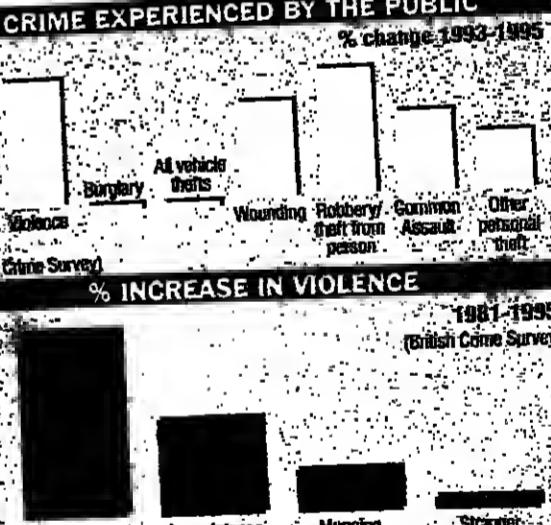
The BCS takes place every two years and questions adults about crimes which have not been reported to the police as well as ones which have. Particularly common offences that go unreported are minor assaults, car vandalism and personal theft, although more serious crimes are also withheld.

In the period 1993 to 1995, for those crimes which can be compared, recorded offences

### CRIME RECORDED BY THE POLICE



### CRIME EXPERIENCED BY THE PUBLIC



# World Service may cut more languages

MARIANNE MACDONALD  
Media Correspondent

The World Service will have to close some of its language services if the Government does not rethink cuts to its budget, it warned yesterday.

Unveiling detailed plans to cut £6.5m from its budget for next year, its managing director, Sam Younger, admitted a further £5m would have to be cut unless the Government increased its proposed funding.

That could mean closing up to six foreign language services. Vulnerable departments are those covering Africa, Brazil and central Europe. The £6.5m savings in the radio and television service announced in March - following a planned cut of £4.1m in grant-in-aid, to £131.5m for 1997 to 1998 - will mean the loss of more than 100 jobs from a staff of about 2,000.

However, the announcement is not connected with the bitter row which blew up over BBC plans to merge the World Service news with other news

production, and which were made by the director general John Birt without consultation with Mr Younger.

Such has been the outcry over both the proposed merger and the handling of its announcement that the changeover has been put on hold until a working party set up by the Foreign Office and the BBC reports on the next month.

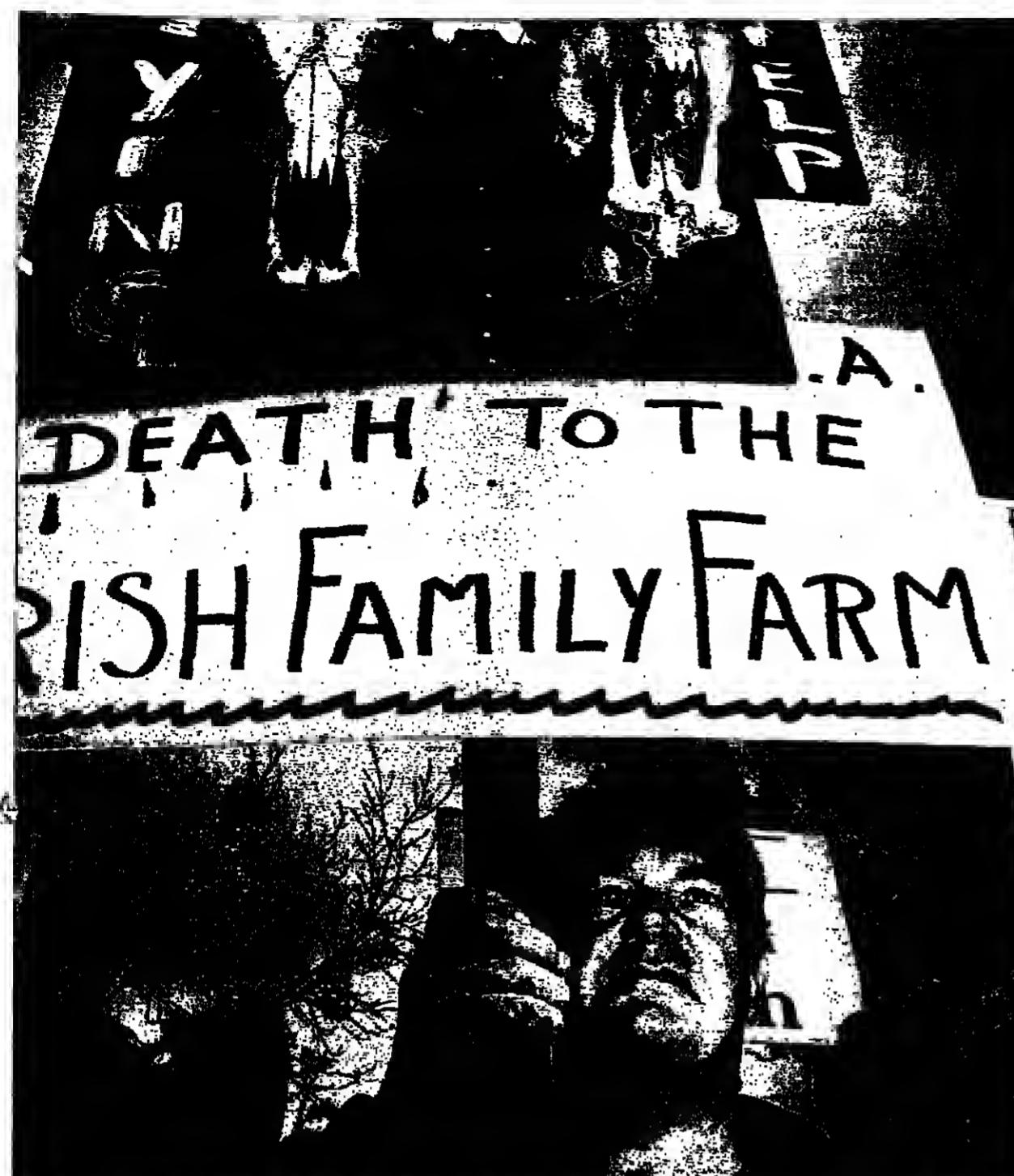
"We have done everything we can to cut costs while protecting services for listeners," Mr Younger said yesterday. "We recognise what has been achieved and look again at its planning figures for next year. If they are not changed, our only option will be to close the language services."

The £6.5m savings will be achieved by reducing services in some parts of the world. Cuts will also be made in central departments including finance, publicity and research offices.

The BBC World Service is funded by the Foreign

MR1

مكالمات من الأصل



Madding crowd: Farmers demonstrating yesterday outside the hotel in Killarney

Photograph: Michael MacSweeney

## EU ministers corralled by Irish farmers with a beef

**KATHERINE BUTLER**  
Killarney, Co Kerry

Agriculture ministers including Douglas Hogg and the EU Farm Commissioner, Franz Fischler, were besieged in a hotel here yesterday by angry Irish beef producers.

Anger at the inability of EU governments to address the difficulties facing farmers and at Britain's failure to eradicate BSE, or "mad-cow disease", boiled over as news of another fudge reached what had been a big but orderly demonstration. Ireland's 10,000 beef producers say they face losses of £200m this year and they blame Lon-

don. The siege reduced to farce the efforts by Ireland, holding the EU presidency, to produce a charm offensive for the European visitors.

Mr Fischler was helicopter out over the 6,000-strong crowd to get his plane back to Brussels and was last seen scurrying across the lawn, chased by a few mavericks among the mainly peaceful demonstrators. Police over-reacted to the threat of farmer violence or perhaps embarrassing publicity, by locking dozens of European journalists in the hotel's media centre.

Ivan Yates, the Irish Farm Minister, made his way outside to appeal for calm but could

hardly be heard. "No one is denying you the right to protest but I have an international group inside in this hotel." A huge roar went up. In desperation, Mr Yates roared back: "There are some women inside who are very upset." That drew an even bigger roar. In front of the hotel the stretch limousines waiting to take Mr Hogg and other ministers and their wives to Listowel Races were plastered with posters demanding "Action now!" Protesters chanted: "Ye go to the races, we go down the drain."

The Killarney示威者 against the stand-off between Britain and its EU partners over London's decision to renege on a pledge to eradicate BSE by slaughtering 140,000 cattle.

Mr Hogg was the target of much of the anger yesterday. "Remove Hogg, sell our beef" read one placard.

The Irish farm leader, John Donnelly, accused Britain of "ripping up" the agreement and urged Brussels to "put your foot down on the British".

Ministers cleared the way for the release of £400m to aid the beef market, which is close to collapse, but the farmers dismissed the decision as going nowhere near the levels of aid they need.

## Shocking adverts lead safety drive

**CHRISTIAN WOLMAR**  
Transport Correspondent

The Government yesterday committed itself to reducing child pedestrian deaths by a quarter over the next three years, possibly saving about 30 lives a year. But no new funds have been made available to help meet the target.

The announcement coincides with the relaunch of harrowing adverts showing home video footage of children revealed to have been killed in road accidents. Following the TV campaign earlier this year, the adverts will be shown in cinemas.

The new strategy attempts to place the onus on drivers, rather than children, to avoid accidents. Yesterday John Bowis, the roads minister, said: "In the majority of incidents, motorists should be able to anticipate



Speed killed: One of the children featured in the videos

situations of potential danger better than a child."

The advice in the strategy report, *Child pedestrian safety in the UK*, published yesterday, says: "The key message to drivers should be that they would not expect error-free behaviour from children in any other walk

of life, and that they must make allowances." While the UK generally has a good pedestrian safety record compared with its European neighbours, its annual average of 1.3 deaths per 100,000 children is nearly 50 per cent higher than the European average of 0.9. In 1995, 132 child

pedestrian were killed and 4,300 seriously injured on the roads.

Britain's higher rate is attributed partly to the higher percentage of children living in urban areas, compared with European countries, but is also thought to be due to a lack of town traffic calming measures.

The report says it would cost £2.3bn to create enforced 20mph zones in 80 per cent of suitable urban roads, but that the savings annually would be about £2.1bn in reduced accidents – on DoT estimates of £812,010 for a death and £92,570 for a serious injury.

But while the Government accepts that the 300 20mph zones have cut casualties by over a half, Mr Bowis said he could not pledge an increase in funds. The extra £1m to help fund zones would come from the existing road safety budget.



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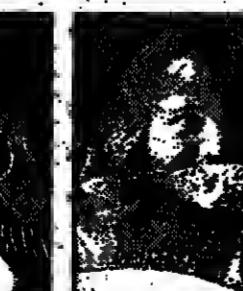
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## news

## LIBERAL DEMOCRATS IN BRIGHTON

Move over Keanu, Paddy's on screen



DAVID AARONOVITCH

These must be balmy days for theatrical set designers. As if the proliferation of telly shows requiring bizarre sets was not enough (have you seen the rocks, ratten bats and swimming pool in *Man, Oh, Man?*), there are the party conferences to cater for. For some reason the Lib Dems decided to order a nice little number based on an Imperial Roman theme.

So, at one end of the cavernous hall here at Brighton, they have built a votive temple in grey marble-like plywood. There are four pillars, from behind which a judicious use of fabric and lighting creates a golden glow to emanate. What mystery lay inside this shrine we were shortly to find out.

For today was leader's speech day. Even if you hadn't been alerted to this fact by the sudden appearance of hundreds of Liberal Democrat delegates, who had somehow missed out on the debates, the giant screen which had been lowered next to the temple would have given the game away.

The lights were dimmed, the show began. We knew (because we had been told often enough) that the Lib Dems loathe the presidentialism of new Labour, with its concentration on T Blair. So what would their epic movie contain? An illustrated lecture on the benefits of the single currency for exchange rate stability and transactional costs? Alas, no. You don't have a leader as ruggedly attractive as Paddy, as crinkle-smiled, as blood and well-peccorated, and not make a motion picture about him. So there he was, gadding about the country listening to people, in a film entitled, appropriately, "a leader who listens".

Because this was a movie, and because this is a newspaper whose readers are cultured and well-educated, I decided to decode the metaphor. So I noticed Paddy the kindly patriarch, who was much in evidence, crinkling at kiddies and leading to ordinary citizens an ear that can detect an incoming shell at three miles. Paddy the action man was there too, boarding trawlers, digging coal and sweeping a floor.

But most intriguing of all was Beefcake Ashdown, a deliberate juxtaposition of images created so as to leave an impression of immense potency and allure. How else can we explain the firework that went off in front of his groin, the gushing hospice held at the hip, the lasciviously slow removal of the jacket? Don't tell me this was accidental – this was Mapplethorpe Paddy on exhibition.

Then, suddenly the screen went white and it was over. From between the pillars strode the hero himself, a simple military man, handed the laurels of leadership, reminding us about courage and patriotism. For what seemed an age he gave it to his party straight: used them face up to some hard truths. They were wonderful, he told them. Far better than the others. Nicer. More honest. Better at things. So it would be good if they won lots of seats at the election. It is to the credit of this party, that the delegates took these difficult thoughts on the chin, and still applauded their courageous, virile leader.

# Bullish Ashdown vows to put the backbone into Blair



Captive audience: Jane Ashdown listens to her husband's speech at the Liberal Democrat conference yesterday

ANTHONY BEVINS  
Political Editor

Paddy Ashdown yesterday offered voters Liberal Democrat hope – as an alternative to Tory fear and Labour timidity – with a clear suggestion that he could help inject backbone into a Blair government.

Evoking the Churchill spirit in a rollicking speech that gave his Brighton party conference a clear sense of direction, Mr Ashdown said John Major had left the country with no voice or leadership, a lion without a roar.

"This country is not the mean, selfish, uncompromising nation the Tories have tried to make us these last 17 years," he said. "But the true spirit of our country will remain hidden, unless the only choice we are offered is the choice between fear and timidity."

Fear was the "Tory trade-mark," he said: "Fear is their only weapon."

"Now there is only one anti-

dot to fear – and that is hope." And in one of a number of specific attacks on Labour, he added: "Labour seems to have chosen timidity."

Repeating the refrain, "with the Liberal Democrats strong in the next Parliament", Mr Ashdown made a clear offer of help in guaranteeing that action was

pursue a clear course on Europe – as an alternative to Tory fear and Labour timidity – with a clear suggestion that he could help inject backbone into a Blair government.

"We could, of course, go on ducking the issues for a little longer," he said. "We could decide that more money in our pockets is more important than more knowledge in our children's heads. We could stagger on with our discredited system of government."

"We could carry on polluting our environment, and postpone living more lightly on our planet. We could carry on fooling ourselves about our place in Europe and the wider world."

"But deep down, everyone knows the longer we duck these decisions, the higher the price we pay in the next century."

"My fear is this: that we shall see an election, and maybe a change of government – but we shall not see a change of direction. We shall still be starved of clear vision, a commitment to change, the courage to face up to what must be done. It is the

take on a number of priority issues.

With the Liberal Democrats strong in the next Parliament, he said, investment in education would be guaranteed, the welfare system would be reformed,

environmental pollution would be tackled, there would be a crime-busting plan for each community, the country would

first crucial role of this party to see that that does not happen.

"With the Liberal Democrats strong in the next Parliament, Britain will face the challenges that confront us. Without, they'll continue to be ducked."

As for his own vision, Mr Ashdown said that every single Liberal Democrat policy was

dedicated to a central purpose.

The aim, he said, was to help people "fulfil themselves; to find the hero in themselves; to become self-reliant and self-confident; to make, together, such a contribution to society that the nation as a whole becomes more self-reliant and more self-confident."

The speech was preceded by

dedicated to a central purpose.

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The speech was preceded by

## On the Tories: 'Fear is their only weapon. There is one antidote ... and that is hope'

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environmental pollution would be tackled, there would be a crime-busting plan for each community, the country would

## MacLennan warns against delay in pursuit of electoral revolution

STEPHEN GOODWIN

A Great Reform Bill should be coaxed in the first session of Parliament after the defeat of the Conservatives, Robert MacLennan, the Liberal Democrat president, said the party endorsed what would be almost a revolution in the way Britain is governed.

The only pillar of the state to remain relatively untouched would be the monarchy – too electorally sensitive an area even for a party of professed constitutional radicals.

The Queen would, however, lose her role in appointing prime ministers, which would pass to Parliament. And prime ministers would lose the power to call elections. Parliaments would be elected for a fixed term and only dissolved early if MPs decided it was unavoidable.

The main components of the party's programme are familiar – electoral reform, a freedom of information Act, Bill of Rights, home rule for Scotland and Wales, regional government for England and replacement of the Lords with an elected senate. But Mr MacLennan tried to inject new momentum into the proposals, warning that delay was the enemy of reform. "The moment of possible change may pass," he said.

"If the Conservatives are re-elected and reform is botched or abandoned, the opportunity may not recur. Blame for failure will be transferred from the faults of our system of government to whatever weak-minded ministers allowed the opportunity to slip by."

Mr MacLennan is trying to move on from general objectives on which there is wide agreement to the detail of reform and its implementation.

The reform Bill would act as a framework. Some of the mea-

Under the Lib Dem model, Westminster MPs from nations and regions that chose home rule would not be able to vote on matters transferred to their nation or region.

"With home rule offered all round, it becomes possible to slim down and make more sharp and effective the Westminster parliament," Mr MacLennan said.

The party's proposals for reform of the Commons itself include reform of Prime Minister's Question Time to make it less confrontational, timetabling of legislation to stop time-wasting and a system for taking expert evidence on draft legislation.

He claimed the Bill would provide a solution to the "West Lothian question" which bedevilled the Scottish devolution attempt in the 1970s – why should Scottish MPs at Westminster be able to vote on schooling or health matters in England when the same issues north of the border were the sole preserve of the Edinburgh parliament.

## 'Cheap votes' outburst as tight curbs win backing

Liberal Democrats yesterday voted for tight curbs on keeping handguns, ignoring a warning by the leadership and a claim by one activist that the party was grubbing for cheap votes, writes Stephen Goodwin.

Shouts of "shame" greeted Paul Weller as he argued against a motion on gun control framed in response to the Dunblane tragedy. "I don't believe, emotional as it is, that we should be, in effect, grave-robbing those children for votes," said Mr Weller, a member from Chesham and Amersham.

Dismissing any affection for the gun lobby, he said the party was behaving like Labour or the Tories if it went for the "quick, cheap votes".

It was for a Liberal to protect the liberties of those one despised. Mr Weller echoed the advice of Alex Carlile, the party's home-affairs spokesman, who said action should await the findings of Lord Cullen's inquiry

into the killings at Dunblane. "What we should avoid today is a shopping-list before Lord Cullen's report is published," Mr Carlile said.

But two hours later the conference voted overwhelmingly in favour of a package of measures intended to cut drastically the 1.7 million weapons legally held in the UK.

It included a ban on the sale of firearms by mail-order, licensing the sale of air weapons, shifting the burden of proof for holding a firearms licence to the applicant and access to confidential information such as medical and psychological records.

But most attention focused on how hard to clamp down on the 200,000 legally-held handguns. By 366 votes to 357 the conference rejected a total ban in favour of restricting handguns to single-shot weapons kept at meetings between victims and offenders.

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# PUNCH, EVERY FRIDAY. THE MAGAZINE THAT MIXES WITH THE WRONG CROWD.

PUNCH

IN PUNCH THIS WEEK, THE PECULIAR MANAGEMENT-STYLE OF BRITAIN'S MOST POWERFUL PRESS BARON IS REVEALED. SOMEONE OTHER THAN PRINCE CHARLES CRITICISES MODERN ARCHITECTURE. AND WILLIAM VALDEGRAVE MP EXPLAINS WHY HE'S HAD TO GIVE UP BUYING WOMEN'S CLOTHES. PUNCH, AT YOUR NEWSAGENT EVERY FRIDAY. OR CALL FREE ON 0800 592 439 FOR DETAILS OF THE SUBSCRIPTION OFFER.

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news

# It wasn't the Sun wot won it: official

Newspapers have no measurable effect on the way their readers intend to vote, a study has found.

Casting doubt on the Sun's claim that "It's the Sun wot won it" at the last election, research suggests that the calls last year by normally Conservative papers for John Major to go, and the move by the Sun to a less hostile posture towards Labour, had no impact on readers' political views.

John Curtice, of the University of Strathclyde, looked at the newspaper-reading habits and political views of 1,317 voters interviewed every year between 1992 and 1995 for the British Election Panel Survey.

Readers of the Sun certainly noticed that their paper had changed its allegiance, with a

drop from 83 to 51 per cent in the proportion who believed it backed the Tories.

Other pro-Tory papers show smaller falls, with only readers of the Telegraph believing it has remained loyal to the Tories. In 1992, 82 per cent of Telegraph readers thought it backed the Tories, compared to 80 per cent in 1995.

Mirror and Guardian readers, by contrast, showed no change in their conviction that their papers supported Labour.

But the study found that Labour picked up more new supporters from readers of the Mirror than of the Sun.

One of the reasons was that Mirror readers were more like-

## T'S Sun WOT SWUNG IT

83,000 readers' votes forced

It's in same Pound, say Tories

Wotche: Yesterday the paper revealed its pivotal role in the Tory civil war over Europe

ly to take a pessimistic view of the state of the economy.

But generally newspapers seem to have no discernible impact on readers' images of the parties or their leaders.

The study found no difference in how the Prime Minister was rated by readers of the "rebel Tory press" (the Sun,

Mail, Times, and Star) and the "loyal press" (the Telegraph and the Express), despite the rebels' call for Mr Major to be ousted in last year's Tory leadership battle.

The findings do not necessarily confirm the strategy of Alastair Campbell, the Labour leader's press secretary, of wooing the Tory press.

"It may have stopped the

Tory press playing its usual role of acting as a source of reinforcement for the Conservatives," comments Dr Curtice. Last year Mr Blair travelled to Australia as the guest of Rupert Murdoch to speak to executives of his NewsCorp global media empire.

But Dr Curtice writes:

"There is little evidence to suggest that either politicians or journalists should be as preoccupied with the partisan tone of the press as they often appear to be. The changed tone of the Tory press since 1992 may have been entertaining for journalists to read and a source of some self-satisfaction for Labour's spin doctors. But... Mr Blair's

## SUN

### IT'S THE SUN WOT WON

Wotche: Flashback to 1992

best friend continues to be the Daily Mirror, out the Sun. Labour has been most likely to

make converts amongst those who read the Daily Mirror and to lose friends amongst those who stop reading that paper.

He concludes that, overall,

"the influence of the press is most only marginal one."

The effects that there are

seen small, and the net effect

of the partisan press appears

to be zero.

There was no difference be-

tween the swing to Labour

since 1992 among readers of

partisan papers, Labour and

Tory, taken as a whole, and the

swing among non-readers and

readers of the "non-partisan

press", including the Independent. Which suggests, taken together, the partisan papers

have no impact on their read-

ers, either in a pro-Tory or a pro-

Labour direction.

London Fashion Week: Supermodels paid £13,000 for launch of sports-wear collection

## Glamorous British steal Paris's clothes

MELANIE RICKET

The American designer Tommy Hilfiger will be launching his women's sports-wear collection on Saturday as part of London Fashion Week, which begins today. It is rumoured that his models will be paid in the region of £13,000 to appear in his show, so the supermodels are in town, and London is managing to generate the kind of buzz usually reserved for the Paris *prêt à porter* shows.

Naomi Campbell is one model who has been lured by the Hilfiger fee, but she will also be supporting young designers who cannot compete in terms of funds. Antonio Berardi, the young designer about to show his third collection, will be paying his models, including Ms Campbell, in clothes.

Yesterday, Marcus Constable and Esley Palmeiro showed their first collections in off-schedule shows. All of them are St Martins' graduates, keeping the tradition of Looe alive. They cannot give their models anything but even clothes, but that is part of the fun.

Young British designers have been making waves in the world of fashion for years, but until recently they were lured away to the bright lights of Paris, like our most famous export John Galliano. Now our most talented designers live, work and show on British soil. Alexander McQueen, Hussein Chalayan and also Antonio Berardi are all from the UK, and it is reflected in the creativity and eccentricity of their work. Supermodels will work for them for a small fee or clothes, just for the association. The London fashion scene is currently basking in the glow of praise from American fashion bibles, *W*, and *Harper's Bazaar*.

This month, *W* proclaimed "Forget Paris and New York. Merry old London is the only place to be for the hip and happening". *Harper's Bazaar* has dedicated an eight-page fashion story to Looe style. Simon Ward from the British Fashion Council, however, is keeping his feet on the ground, "I feel that Looe is getting better all the time. A few years ago we were just showing in one tent, at the Natural History Museum. Now there are two tents and a double-decker exhibition hall, which indicates that the recession in terms of fashion is well and truly over."

The proof of the pudding, however, will only come when the international buyers show their faces at London Fashion Week. "The designers tell me that all the buyers they have spoken to have said 'see you in Looe'."

Ward says, "This week there are enough celebrity happenings to encourage fashion press and buyers the world over to Looe."

Thursday night sees Donna Karan holding a star-studded party to celebrate the opening of her new shop in New Bond Street. Also on

Thursday night Claudia Schiffer, Christy Turlington and Naomi Campbell are hosting the grand opening of their Fashion Cafe in London's Leicester Square. Guests for that evening are expected to be Liam and Noel Gallagher from Oasis, Kate Moss and a host of rock stars from Mick Hucknall to Nicki Minaj from Bon Jovi.

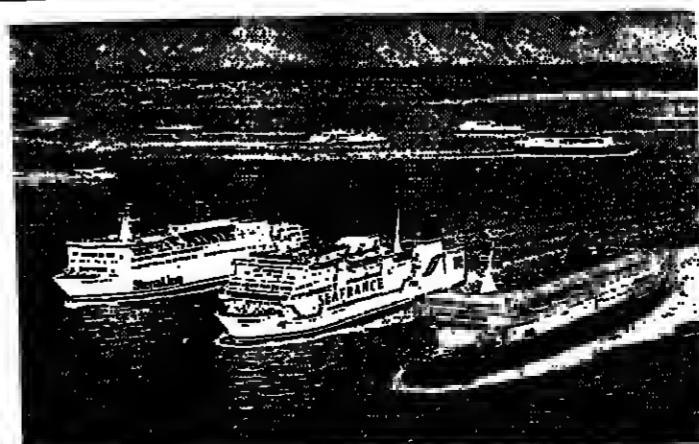
The fashion industry in this country is worth £7.6bn a year, of which £2.9bn is exported. Designer fashion represents £250m of that figure, a small percentage, but the volume and quality of those clothes speak for themselves in terms of the world market.



Inset image: French twins Nita and Niamh Hindle model for British designer Marcus Constable, presenting his first solo cat-walk show as part of London Fashion Week. Photograph: Tony Buckingham

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# Architects bridge the centuries for Thames prize

MARIANNE MACDONALD  
Arts Correspondent

Zaha Hadid was yesterday named joint winner of a government-backed competition to build a new, inhabited bridge for London. The move will help redeem the Iraqi-born architect's faith in the British establishment after her controversial "glass-necklace" design for the Cardiff Bay Opera House failed to win funding from the Millennium Commission. To her fury, it emerged this month that a member of her opera-house design team, Percy Thomas Partnership, had been asked to design the Wales Millennium Centre for the same site.

Ms Hadid, who won an international competition with her design, was quoted as saying the move was "a total farce".

But she was delighted to have won yesterday's competition jointly with Antoine Grumbach & Associates of France.

Seven international architects were invited by the Royal Academy to enter designs for the competition to build a new inhabited bridge over the



Bridgework: The two winning architects, Antoine Grumbach (left) with a model of his proposed garden bridge, and Zaha Hadid with her 'transparent' design

Thames, from Temple Gardens on the north bank to the London Weekend Television building on the south bank. The brief was to design a structure which would incorporate sufficient buildings - hotels, cafés, restaurants, offices - to make it commercially viable and to interest a developer in the project.

Ms Hadid's £70m design incorporates commercial space at either end, but left the middle of the bridge empty to maintain

river views. "It had to occupy the river as a public space at the same time ... remain transparent," she said.

In contrast, Mr Grumbach's £60m design centred on the notion of expanding the Jubilee

Gardens over the river. A huge tower at one end would provide commercial space. "I wanted to make a promenade over the water," Mr Grumbach said.

Although the two architects share the honours, any of the

seven designs submitted - or more than one - could be chosen by a developer.

John Gummer, the Secretary of State for the Environment, has thrown his weight behind the project. "London's river is

our most under-valued asset and the time has come to value it properly," he said yesterday.

The last inhabited bridge

over the Thames was destroyed in the mid-18th century. Originally a Roman pontoon bridge,

it joined Southwark with the City and was known for displaying traitors' heads on poles.

All seven designs go on display from tomorrow until 18 December in the Royal Academy's Living Bridges exhibition.



Photographs: Peter Macdiarmid

## Finn wins race for Rattle's baton

JOJO MOYES

A Finnish conductor will succeed Sir Simon Rattle, who quits in two years time, as leader of the City of Birmingham Symphony Orchestra.

The choice of the relatively low-profile Sakari Oramo comes as a surprise, as Mr Rattle's 21-year-old protégé, Daniel Harding, was widely tipped to succeed him. Sir Simon was an unknown 25-year-old when he was appointed in 1980.

Mr Oramo, 31, a professional conductor for three years, is co-principal conductor of the Finnish Radio Symphony Orchestra and his initial contract as principal conductor and artistic adviser will be for three years.

It was an unexpected surprise and honour to be invited to become principal conductor of the CBSO after only my second visit to them in July this year," Mr Oramo said yesterday. "I am looking forward to the challenge of shaping the future of this marvellous orchestra in my own way while maintaining the legendary good work of my predecessor."

Mr Oramo, who has conducted the City of Birmingham Symphony Orchestra twice before, will conduct at least 30 concerts a year.

His rivals at the top of a "very long list" were either unavailable or unsuitable, said Edward Smith, the orchestra's chief executive. "Sakari was on the list and when he came in July it was quite clear to everyone on the committee that this was the ideal man to take over."

One factor that apparently gave Mr Oramo an edge was the commitment of the players after his two concerts with them, the first in May last year. "By the time he had conducted



Sakari: Popular choice of orchestra members

the orchestra on his second visit there was an extraordinary fusion of opinion that he was just the right person to succeed Simon," said Peter Thomas, the orchestra leader. "Everyone in the orchestra is very motivated to make a success of this splendid new relationship."

Mr Oramo lives in Germany, where his wife, the soprano Anu Komsi, is contracted to the Bremen Opera until 1998. The couple have a five-year-old son.

He made his professional conducting debut with the Finnish Radio Symphony Orchestra at a few hours' notice in January 1993, when the scheduled conductor was taken ill. Since then he has conducted all the major Scandinavian orchestras and has forthcoming concerts in Germany, Switzerland and Britain.

The charismatic Sir Simon has built a reputation at the CBSO by mixing "difficult" contemporary music with favourites such as Elgar. He announced in February that he would quit the role of music director when his contract expired in 1998.

### DAILY POEM

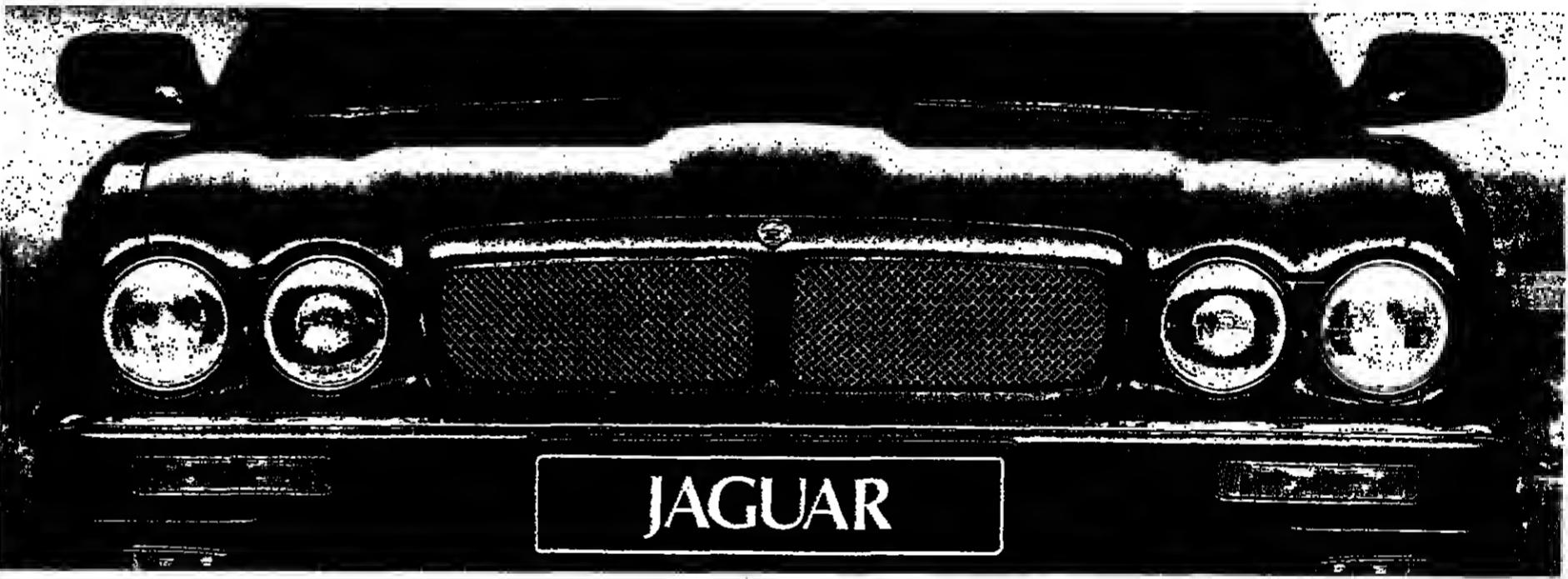
#### Trying Hard To Be Normal (for Spike Milligan)

By Adrian Mitchell

I bought myself a hairbrush  
A Military Hairbrush it turned out  
I came in a box marked Military Hairbrush  
I opened the box  
And took out the Military Hairbrush  
But there was still something left in the box  
I shook the box and brought out a brochure  
It was printed in every colour that exists  
The brochure showed me with diagrams  
And a text in seven languages  
How to brush my hair with the Military Hairbrush  
I was absolutely thrown the box away  
When I realized there was something else left in the box  
I shook the box and out dropped  
A smaller brush  
A wooden brush a humble brush  
Certainly not a military brush  
Just a brush  
I looked for an explanation in the brochure  
And found that this was the brush  
With which to brush  
The Military Hairbrush

Adrian Mitchell, like Roger McGough, Brian Patten and Adrienne Hemm, is essentially a performance poet, but with a technique and delivery that transfers well into the published medium. Bloodaxe published *Blue Coffee: Poems 1985-1996* earlier this year. Mitchell is a maverick: anarchic, free-wheeling, furious and funny, and his collection is a treat.

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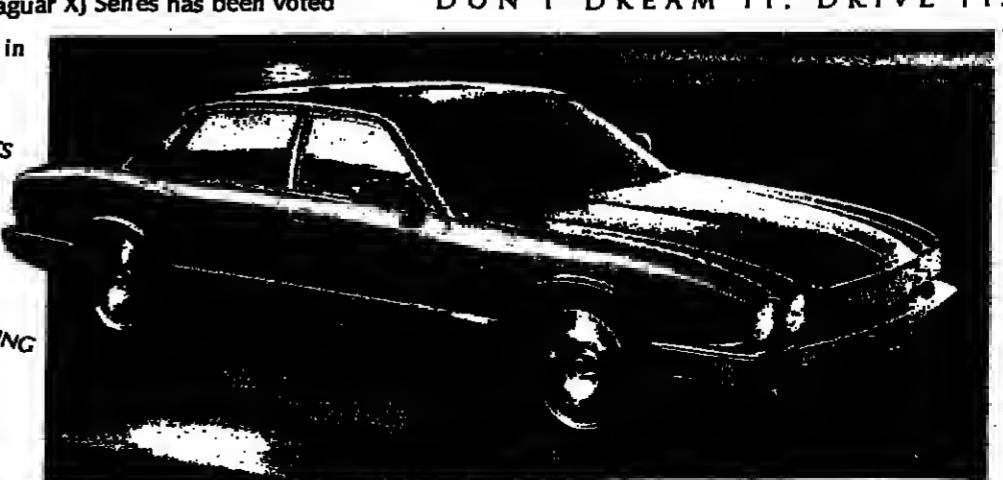
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## international

Rivals set to call for resignation if doctors rule out heart bypass for Russian President

# Kremlin fights for Yeltsin's survival

PHIL REEVES  
Moscow

The Kremlin yesterday began preparing the ground for a battle to keep Boris Yeltsin in office even if his surgeons decide today that it is too dangerous to go ahead with a heart bypass - a decision that would turn him into a lame duck president.

As concern over the President's health reached a crescendo, Russia's Prime Minister, Viktor Chernomyrdin, sought to dampen speculation that the President may soon quit, saying such suggestions were "out of the question now".

The Prime Minister - who would stand in as president until another election, if Mr Yeltsin leaves - was speaking after his weekly meeting with the President, who spent an eleventh day in Moscow's Central Clinical Hospital awaiting news of his fate.

Today Mr Yeltsin's team of top surgeons will decide whether he is fit enough to have a bypass operation, and if so, when. Should they conclude that it is too risky, Mr Yeltsin's future will be thrown into doubt, as he concedes he cannot run the country properly without having the operation.

There have only been half-hearted calls for Mr Yeltsin's resignation, mostly from the Communist camp, since his top surgeon, Renat Atchurin, revealed the operation may have to be postponed or cancelled, and that the President had another heart attack shortly before July's elections.

Yesterday Mr Atchurin said the operation would not be put off, but could be postponed for weeks. But his back-track looks suspiciously as if he was pressured by the Kremlin, which is eager to demonstrate

that Mr Yeltsin, who was shown briefly on Russian TV, looking unwell, is still in charge.

Demands for his resignation would multiply if the operation is called off. Though vague, article 92 of the constitution says he must leave office if he is "persistently unable" to perform his duties because of ill health.

Mr Chernomyrdin's remarks coincided with a publicity offensive by the Kremlin, which said Mr Yeltsin was working on up to 70 documents a day, and was abreast with key international developments. The President's press secretary, Sergei Yastrzhembsky, denied a *Financial Times* report saying Mr Yeltsin had had a stroke and can only work for 15 minutes a day. However, he conceded sometimes Mr Yeltsin completes his paperwork in half an hour.

Mr Yeltsin's bleak outlook worsened yesterday when General Alexander Korzhakov, the former chief of the presidential guard and Mr Yeltsin's close confidant, made clear he was now backing his fellow general, Alexander Lebed, Russia's security tsar, as the next president.

"I don't miss Yeltsin," said the head general who was fired in June. In an interview with *Komsomolskaya Pravda* newspaper, he claimed to have evidence that top government officials salted away millions of dollars in secret bank accounts. Mr Lebed has appeared happy to be courted by the general.

The Yeltsin administration's efforts to forestall calls for another election are scarcely surprising. The latest poll placed Mr Lebed ahead by 19 points, with 34 per cent. Behind him came Gennady Zyuganov, the Communist leader on 15 per cent, while Mr Chernomyrdin had 9 per cent.

Market forces: Brokers trading shares at the Moscow stock exchange yesterday as shares were hit by fears over Boris Yeltsin's health. Photograph: AP

## Lebed denies threatening the West

PHIL REEVES  
Moscow

Alexander Lebed, favourite as Russia's next president, was last night frantically distancing himself from an interview in which he declared that Russia would take economic revenge against the US and Germany if NATO goes ahead with plans to expand into Eastern Europe.

The security chief, who has a reputation for being outspoken, was quoted in the *Daily Telegraph* saying the two countries' "huge interests" in Russia would "suffer directly" if NATO appointed him Secretary of the Security Council in June. Western observers have been trying to work out if the retired two-star general is a hardline or moderate nationalist.

It will also cause surprise, as

he has recently taken a more relaxed view of NATO's ambitions, pointing out that they are free to squander their money by expanding, as Russia has no plans

to threaten countries outside its borders.

In the article published yesterday, Mr Lebed's tone appeared to have changed sharply.

This was despite recent signs that Russia is prepared to negotiate with NATO, even though it remains formally opposed to its expansion.

Mr Lebed also reportedly said that Germany's determination to see NATO and the EU push eastwards would place Central and Eastern Europe under German domination, and suggested "post-unification policy-makers" were "building a Fourth Reich". He blasted the Americans, accusing them of at-

tempting to control world trade "by diktat from Washington" and of acting "beyond belief, beyond logic" in bombing Iraq.

Yesterday, after being bombardied by inquiries, his press service tried to distance itself from the article by denying he had granted an interview to the *Daily Telegraph*, and saying the "facts quoted have nothing to do with what he has ever told reporters". It issued a statement describing the interview as a "fraud", and "a provocation... organised against a person who has stopped the Chechen war".

Sources at the *Daily Telegraph*

said the interview with Mr Lebed was authentic.



General Lebed: 'Russia will hit West where it hurts'

Bardot's book stirs cries of racism

RHIANNON LEWIS

The publication of the former actress Brigitte Bardot's memoirs in France yesterday caused indignation and brought accusations of racism because of her support for the far-right National Front leader, Jean-Marie Le Pen, and her comments about the Muslim community in France.

A leading anti-racism campaigner, Moulnoud Aounit, declared that "[Bardot] has a discourse of hatred which is in allegiance with the ideas and ideology of the National Front".

She had, in fact, told the French daily *Le Figaro* that she "wholeheartedly" shared Le Pen's ideas "as far as the growth of this terrifying immigration is concerned".

Mr Aounit's Movement Against Racism and Friendship Between Races is convinced that her comments are serious enough to incite discrimination and violence against immigrants. They add extra weight to the legal action launched by the organisation against Bardot for the "provocation of racial hatred" following an article written by Bardot in *Le Figaro* in April.

In the case, which is due to be heard by the Paris courts on 19 December, MRAP is claiming 100,000 French francs (25,000) for moral prejudice against the actress.

Bardot's support of the National Front may come as no surprise. She is married to one of Le Pen's aides, Bernard d'Ormeau. But her warmth towards Le Pen has shocked many. In her book, she describes him as "a charming and intelligent man who is outraged by certain things, just like [me]."

She first met Le Pen in the Fifties when visiting victims of the Algerian war. "I don't think people should make him out to be evil," she told *Elle* magazine. "From what I have seen ... he is very kind."

While she stresses that she does not share all his ideas, she proudly proclaims her nationalistic tendencies. "I have the courage to stand by my ideas", she asserted. "Either people like it or they don't. And if they don't, then hard luck."

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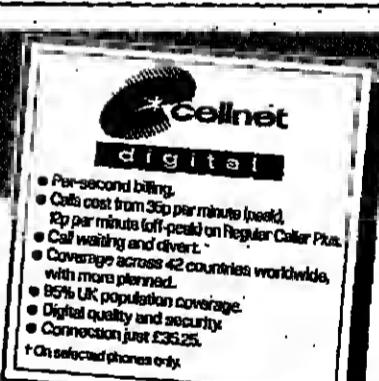
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## Bosnia election fraud hidden by OSCE figures

TONY BARBER

Europe Editor

The Balkan tradition of rigging elections has received a new lease of life from a most unexpected source - the Organisation of Security and Cooperation in Europe (OSCE). Apparently, in a belated and unconvincing effort to demonstrate that Bosnia's elections on 14 September were not riddled with fraud, the OSCE has changed its estimate of the size of the Bosnian electorate. The effect has been to conceal evidence that hundreds of thousands of ballots were illegally cast.

Before the elections, the OSCE put the total electorate at 2.92 million. But according to calculations supplied by a respected monitoring organisation, the International Crisis Group (ICG), about 259,000 Bosnian war refugees did not register to vote.

Another 381,000 who registered did not cast ballots. The maximum number of people who voted should, therefore, have been about 2.3 million.

However, according to preliminary final results issued last Monday, almost 2.62 million people cast ballots for Bosnia's three-man collective presidency. The OSCE abruptly announced that it was changing its estimate of the total Bosnian electorate to 3.2 million.

Even this would imply a

turnout of 81.8 per cent in the presidential vote, well above the 74 per cent who voted in Bosnia's last pre-war election in 1990.

A comparison of figures suggests the turnout on 14 September was a mathematical impossibility, the ICG said in a report. "We have no evidence to suggest [major] fraud, but the discrepancies cast serious doubt on the validity of the elections."

Western officials who closely followed the election said they estimated that at least 300,000 votes had been fraudulently cast. They said the perpetrators were officials and supporters of the ruling Muslim, Serb and Croat parties, who either stuffed ballot boxes or falsified counts in order to secure victory for their parties.

The Muslim Party of Democratic Action (SDA), Serbian Democratic Party (SDS) and Croatian Democratic Union (HDZ) each scored thumping victories in the respective areas of Bosnia under their control.

In the Muslim case, the fraud was sufficient to ensure that Alija Izetbegovic squeaked through to win the chairmanship of the three-man presidency. Without the fraud, this important post would have gone to Momico Krajisnik, the Bosnian Serb nationalist who campaigned on a platform of rejecting the Dayton peace settlement and uniting his re-

gion with Serbia.

Friendly gathering: Bill Clinton (left) with Boutros Boutros-Ghali at the UN yesterday

Photograph: Reuter

## Balkan peace force tops Nato agenda

CHRISTOPHER BELLAMY

Defence Correspondent

The future of the Bosnian peace-keeping force after the Nato mandate expires on 20 December will be top of the agenda at today's Nato meeting in Bergen, Norway.

The 16 Nato defence ministers are joined by their Russian counterpart, General Igor Rodionov, as they also discuss which East European countries will be the first to join Nato in 1999 and plans to restructure the Alliance.

Ministers will try to reassure Russia about Nato's expansion, although Russia's security chief, Alexander Lebed, remains resolutely opposed to expansion and is threatening economic retaliation if it takes place.

The Bergen meeting will shape proposals for a new "charter" governing relations between Russia and the Alliance, for Nato restructuring

- which must take place in parallel with enlargement - and for the future of international involvement in Bosnia. Final arrangements for a follow-on force in Bosnia (Fo-For) will be confirmed at a conference in London in December. But the most crucial issue - what it is supposed to do - will be discussed in Bergen.

Nato and Russia will begin this morning with the international peace force in Bosnia, I-For. Plans to replace it with a smaller 20,000-strong force are well advanced, and on Monday the MoD announced that a British lieutenant-general, Roddy Cordy-Simpson, would be deputy commander of Operation Joint Endeavour, as the follow-on force will be called. It is likely that the international community will "certify" the validity of the Bosnian elections on Sunday. Once Bosnia has a "certified" government - however dubious the elections were

- the international community will have to ask its permission to maintain a presence in Bosnia after 20 December. Unless it wants another war, the Bosnian government is likely to accede.

Defence sources said the ministers meeting at Bergen would discuss several missions for Fo-For. The basic task of I-For - separating the former warring factions - was a success, and any follow-on force would be there primarily to back up civilian reconstruction.

This afternoon, ministers will discuss Nato's "adaptation" to the new world order, which involves a dramatic reduction in the number of Nato command headquarters, from 67 to nearer 30. Tomorrow, ministers are likely to decide which East European countries will receive invitations in the spring to join Nato by April 1999. Poland, the Czech Republic and Hungary are the favourites.

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PAGEONE  
COMMUNICATIONS

## Leaders sign nuclear test ban

DAVID USBORNE

New York

Wielding a pen that was used by John F Kennedy 33 years ago to sign a first treaty to curb the testing of nuclear bombs, President Bill Clinton yesterday became the first world leader to commit ink to the newly negotiated Comprehensive Test Ban Treaty that aims to outlaw testing altogether and for ever.

Mr Clinton, who was in New York to address the General Assembly of the United Nations, was followed at the CTBT signing ceremony by ministers from around the world, including the Foreign Secretary, Malcolm Rifkind, and ministers from France, Russia and China. As many as 65 nations were expected to sign the document at the UN.

Mr Clinton used his speech to the General Assembly to herald the new treaty as the "longest-sought, hardest-fought prize in nuclear disarmament history". But he also urged common action to practise "zero-tolerance" in combating the new dangers facing the world, including international terrorism and the trafficking of drugs, and to pursue reform at the UN.

Even until recently there had been fears that the test ban treaty was in danger of unravelling because of opposition from India, which complains that the treaty fails to set a date for total nuclear disarmament. The treaty was finally opened for signature by a majority vote in the General Assembly on 10 September. Technically, it cannot become international law until all 44 nations known to have some nuclear capability, including India, give the document their signatures.

While suggesting that the signatures delivered yesterday represented a "giant step forward" that will automatically create an "international norm" against further tests, Mr Clinton appealed to India, which has not conducted a test since 1974, to sign the treaty.

Of the treaty, Mr Clinton said: "Some have complained that it does not deliver a mandate for total nuclear disarmament by a date certain. I would say to them, do not forsake the benefits of this achievement by ignoring the tremendous progress that we have made towards that day."

Mr Rifkind echoed Mr Clinton, appealing to everyone to sign the document. "It is the sovereign right of every state to decide whether or not to be bound by international agreements. But it is our firm conviction that this treaty is in the interests of all, and I urge all states to give it their full support."

Gro Harlem Brundtland, the Prime Minister of Norway, told the assembly: "In the annals of history, it will be told that nuclear testing happened over a period of 40 years in the twentieth century and then never again."

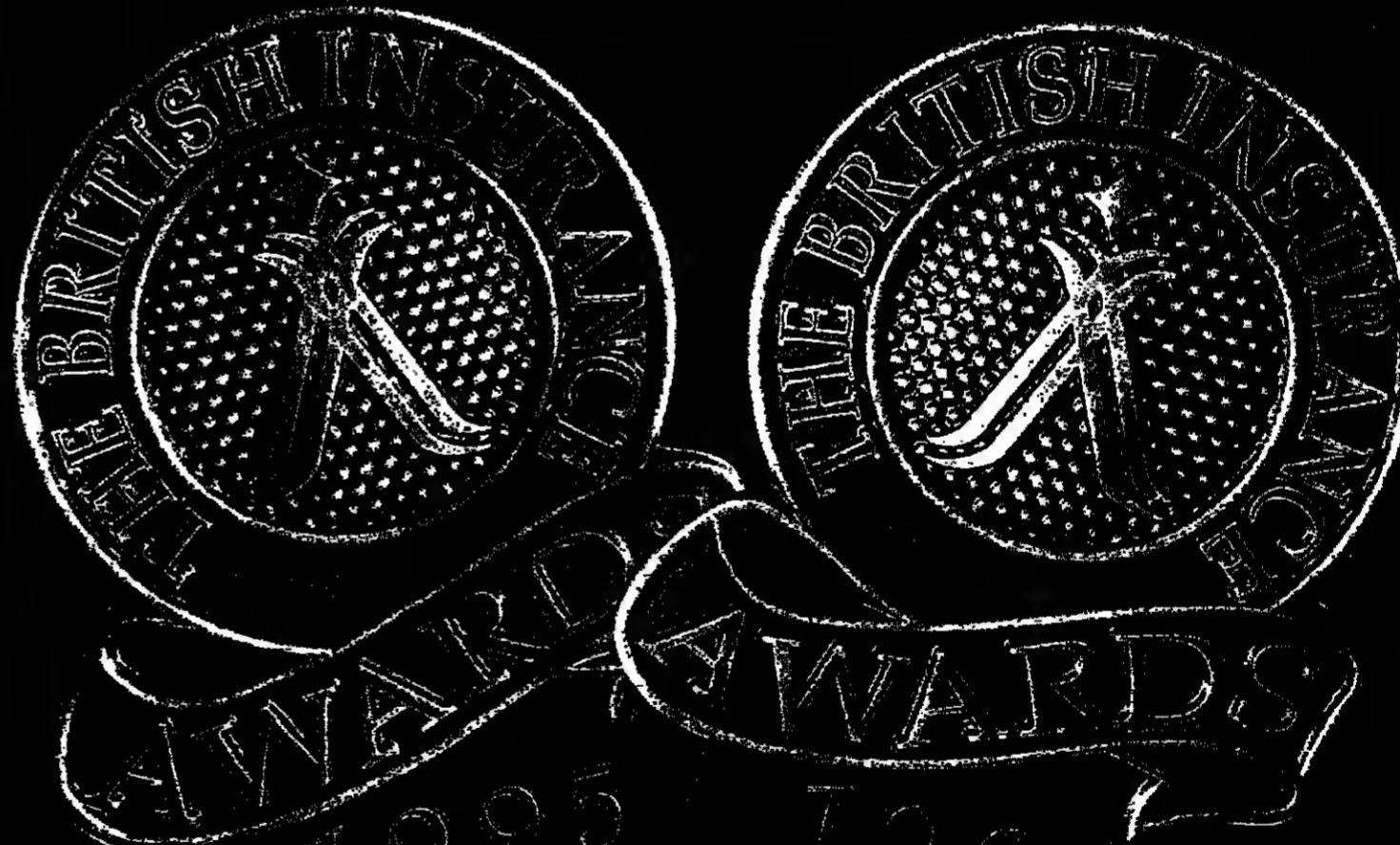
The fruit of years of often tortuous negotiation, the CTBT should be the definitive offspring of two previous attempts to curb the practice of testing. President Kennedy in 1963 signed the Limited Test Ban Treaty, which outlawed all tests in the atmosphere, in space or underwater. It was followed by the Threshold Test Ban Treaty, which limited the size of explosions that were permitted even underground.

Mr Clinton's speech was delivered against a background of America's continuing failure to pay \$1.9bn in unpaid dues to the UN and of Washington's avowed intent to block the re-election of Boutros Boutros-Ghali to a second term as Secretary-General.

Mr Clinton insisted the "majority of Americans support the UN". But in a reference to the hostile ranks of Republicans on Capitol Hill, he went on: "Unfortunately some Americans ... ignore what the UN has done, ignore the benefits of co-operation, ignore our inter-dependence with all of you in charting a better future." He avoided all mention of Mr Boutros-Ghali.



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## 12 international

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Jerusalem tunnel  
sparks Arab furyERIC SILVER  
Jerusalem

Palestinian shop-keepers in the old walled city of Jerusalem rolled down their shutters yesterday in protest at Israel's completion of a 400-yard archaeological tunnel which passes from the Jewish Wailing Wall under the Muslim quarter and comes out in the Christian *Via Dolorosa*. Arab youths clashed with police and threw stones at Jews praying at the Wall.

Yasser Arafat summoned his Palestinian cabinet into emergency session last night amid demands to boycott the next round of peace negotiations, due to begin tomorrow. The Palestinians' chief negotiator, Saeb Erakat, warned the Prime Minister, Binyamin Netanyahu, that he was pushing Israelis and Palestinians towards confrontation and disaster. "Such

actions," Dr Erakat told *The Independent*, "don't leave a peace process to speak about. The policy of this Israeli government is the *fait accompli*." Mr Netanyahu thinks the peace process is for the Israelis, but not for the Palestinians and the other Arabs. He is not treating us as partners. He is telling us we can go to hell."

Israel's Religious Affairs Ministry began excavating the controversial tunnel in 1988, a year after Israeli troops conquered the Old City, and finished digging in 1985. A door was cut at the *Via Dolorosa* end three years ago, but the then Labour government kept it sealed for fear of provoking the Palestinians.

Mr Netanyahu's coalition of right-wing and religious parties authorised it to be opened after the Yom Kippur fast on Monday night. The door will stand above the tunnel. None has been destroyed, but

some have suffered cracks. UNESCO has endorsed the Palestinian view.

The Israeli timing looks like another example of Mr Netanyahu's left hand out knowing, or perhaps not caring, what the right hand is doing. On the eve of his maiden visit to Britain, France and Germany, the tunnel-opening threatens to deepen European doubts about the new regime's commitment to the peace process.

It will also encourage Egypt and Jordan, the two Arab signatories to the treaties, to keep their distance. Cairo's criticism sharpened on Monday, when the Egyptian Deputy Foreign Minister, Fathi Shazli, said Mr Netanyahu needed a psychiatrist to treat his "sick fears on security". In Jordan, Crown Prince Hassan postponed his visit to Israel, planned for next month. Amman did not want to be seen as Mr Netanyahu's only Arab friend.



Digging in: An Orthodox Jew stands at the Wailing Wall as Palestinians protest at the completion of the pilgrim tunnel

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### significant shorts

#### Call for castration of sex offenders

Senior German politicians called for the compulsory castration of sex offenders yesterday, after the abduction and brutal murder of a seven-year-old girl at the weekend. Natalie Astner was kidnapped on her way to school last Friday in the Bavarian village of Epfach. The chief suspect, a 27-year-old electrician, confessed to kidnap and murder and led police to her naked body in a nearby river. The accused is known as a child molester, and the public were horrified to discover he had been released last year from prison nearly two years before his rape sentence was due to expire. Police confirmed the girl had been abused before being strangled. "We must make use of all legal

possibilities to protect our children," said Bavaria's Prime Minister, Edmund Stoiber, who announced that Bavaria would back Draconian punishments for sexual offenders. In Bonn, the federal youth minister, Claudia Nolte, urged "chemical castration" for rapists.

Imre Karacs - Bonn

#### Peter Graf to stay in jail during trial

Peter Graf, the father of the world No 1 woman tennis player, Steffi Graf, was ordered to stay in jail for the duration of his trial. Mr Graf, accused of concealing Steffi's earnings from the German tax authorities, has already been in prison for a year. "To lift the detention order would seriously endanger the trial," the judges ruled, alluding to the possibility that Mr Graf would skip bail. The Graf's financial adviser, Joachim Eckardt, must also stay inside for the duration of the trial, expected to last until early January. Mr Graf and Mr Eckardt are accused of evading nearly 20 million marks of taxes on Steffi's earnings between 1989 and 1993.

Imre Karacs - Bonn

#### Simitis sticks by his team

The Greek Prime Minister Costas Simitis kept the backbone of his economic team when he named his new socialist cabinet but chose a different defence minister to oversee plans to

#### US astronaut says goodbye to Mir

The space shuttle *Atlantis* left Russia's orbiting *Mir* station on Monday night carrying the astronaut Shannon Lucid. *Atlantis* and *Mir* formed the shape of a crucifix as they passed over Australia (above), before the shuttle undocked and slowly backed away. The 240-mile-high parting over the Ural Mountains brought Lucid one step closer to home. *Atlantis* is due to return to Earth tomorrow concluding her record-breaking stay of 188 days in space.

AP - Houston

beef up the military. Yannos Papandoniou retained his post as national economy minister as well as being given the finance ministry. Simitis's boldest move was to remove Gerasimos Arsenis, an old-guard socialist, from the defence ministry and replace him with Akis Tsohatzopoulos. He challenged Simitis for the party leadership in June, and lost, but has since strongly supported the new premier.

Reuter - Athens

#### Belgian mayor on fraud charge

The mayor of the Belgian city of Sint Niklaas, a leading official of the Benelux economic union, was arrested on charges of defrauding the EU. Mayor Lieven Lenaerts was accused of using false accounting to secure up to 15 million francs (£200,000) in EU funding for an organization called the Union of European Middle Classes. Belgian anti-fraud investigators suspect Mr Lenaerts, president of the organisation, used the money for himself.

AP - Brussels

# Paddy must be honest about the voters, too

Leaders' speeches at party conferences are usually testimony to the craftsmanship of aides rather than revivals of the lost art of political rhetoric. A brief Cicero impression is bound together with a few lines fit for an excerpt on the evening news bulletins; a few jokes (Paddy Ashdown made a good one yesterday about dentists and the Labour Party) and a theme. Ostensibly the Liberal Democrat leader's theme was patriotism. All the nice voters love a soldier-in-a-boat, and he is surely right in calculating that the Liberal Democrats' brand of inclusive, international-minded patriotism is made a lot easier to swallow when audiences are gently reminded of his military record.

Mr Ashdown does a masterly job, moreover, of stripping the Tories of their pretensions to be the patriotic party. He did not even have to invoke Dr Johnson: all you need do nowadays is refer to one of those nefarious anti-European speeches by the Secretary of State for Defence. Let the Tories in their xenophobic, Pogadist stripes be the (English) nationalist party. "A true patriot would not pander to the Tory press by pretending that love of country depends on hating others."

Good anti-Government knockabout of which, doubtless, a lot more is to be heard next week from Labour in Blackpool. Ashdown patriotism consists, by contrast, in faith in a set of national

virtues ranging from fairness and concern for underdogs to bloody-minded resolution to see hard tasks through. There were indeed times yesterday when Paddy Ashdown, when he wasn't Harold Wilson invoking the Dunkirk spirit, sounded suspiciously like a refined version of Morris Cerullo, able to see the good things "hidden away in the hearts of a million individuals".

The "moral majority" means, for Tories and American right-wingers, a glowing invisible nation, resenting policies foisted on them by liberals. For Mr Ashdown the moral majority is something very different: it is the good, liberal-minded (though not often Liberal-voting) people whose progressive instincts are crushed because of lack of leadership from Westminster. They wish for more and better education; they want their politicians to speak truth even about marginal rates of income tax; and so on. It is a beguiling picture of a middle England which recycles its waste before cycling to work. Perhaps things are so in Yeovil. But for the country at large it is a wishful picture. From it springs a dubious conception of the kind of representative politics that is available in turn-of-the-century Britain.

None of this should detract from Mr Ashdown's substantive points, especially his appeal for constitutional reform and his plea for greater fiscal honesty. The public finances are in a

mess. Decisions about government revenues (taxes) need to be taken now if the balance between likely spending and income is not to move even further out of kilter as the century ends.

The Liberal Democrats are right, too, that no amount of fiddling with income support and family credit can substantially increase the work incentive for those facing a choice between a half life on benefit and low-paid jobs that can leave them worse off. A dramatic financial gesture is needed, such as lifting the amount that can be earned free of tax. That, of course, benefits all taxpayers, and social justice

demands that it be compensated by increased taxes on higher earners. The Liberal Democrats say that a rate of 50 per cent on those earning more than £100,000 a year would be enough to pay for their fiscal reforms. The numbers are arguable, but they deserve credit for being up-front about the necessity. But it is at that point that Mr Ashdown's central argument about the bulk of British people comes unstuck. If they were the paragons he implies, why have so many voted Tory for so long? The response, that political outcomes are untrustworthy because non-

proportional voting prevents the popular will getting translated into Westminster representation, is not entirely convincing. The fact is, as Tony Blair recognises, the political culture has shifted in recent years. Up to a strictly limited point, we have all accepted a large part of the Thatcherite agenda. It is going to take a lot more persuasion than Mr Ashdown offered yesterday to convince the comfortable majority that they should pay more tax.

Mr Ashdown toys with a possibly dangerous Manichean notion of political life. Westminster, he infers, is a sink, a den of dishonesty and fudge. The people, by contrast, see things clearly. They have no truck with compromise and dissembling. Yet the very basis of the Liberal Democrats' current political identity is that they are the party of coalition and consequent compromise.

Mr Ashdown was careful yesterday to couch his claims in terms of what the Liberal Democrats would do to temper the other parties, to keep them on the straight and narrow. That is indeed potentially their most valuable role. But what it requires is political gamesmanship, deal making, dalliance with the arts of the possible. Here is the Liberal Democrat paradox. The party helps make itself distinct by claiming to be holier than the others. But to translate any or all of its policies into reality means engaging with those other tainted parties. The Liberal Democrats

have a lot to offer, but their honesty must include a recognition that The Voters are not quite as wonderfully liberal-spirited and reform-minded as Mr Ashdown would have us believe: they are good and decent, in large measure, but they are also wary and inconsistent, and sometimes reactionary and mean. That is part of the reason why the two established parties make such good Aunt Sallies for Liberal Democrat leaders enjoying all the fun of the seaside fair.

## I'd rather have the weekend off

Fed up with your boss? Gaze at goldfish. Overworked and underpaid? Prostrate yourself. Japanese-style, on a mattress on the floor. According to one large telephone sales company, futons, fountains and fish tanks can help prevent stress at work.

Ergonomic restructuring of the office is, doubtless, a good idea. But let's be honest. British employees have the lowest morale in Europe not because they lack fish and flowing water, but because they work longer hours.

Better that the rail signaller who worked 43 days on the trot should take a weekend off than have a waterfall installed in his signal box.



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## LETTERS TO THE EDITOR

### Ground these absurd rules on borrowing

Sir: Your report on the possible privatisation of air traffic control (23 September) highlights the absurdity of the public sector borrowing requirement (PSBR) rules.

Here we have a profitable industry which needs to invest to increase its profitability. There is an overwhelming case on safety grounds to keep it in the public sector. Yet PSBR rules dictate that public borrowing is bad for whatever purpose. The only route to raising the required cash is therefore privatisation.

Such a situation would not occur in any other European country, because none of them follow the ridiculous strictures of the PSBR. After all, the economic impact of borrowing to build air traffic control centres is the same whether National Air Traffic Services is a public or private body.

The same problems bedevil other parts of the public sector - the Post Office, municipal airports and council housing - which get most of their revenue from charges for services. Only those bell-bent on justifying privatisation can reject the case for joining our neighbours in adopting more sensible borrowing rules.

JOHN PERRY  
Director of Policy  
Chartered Institute of Housing  
Coventry

### Celibacy does not denote holiness

Sir: Paul Valiela ("A scandal but not a crisis for the Church", 21 September) is right to aver that Bishop Wright's misbehaviour does not rock the edifice of Catholicism. More's the tragedy!

This most recent scandal ought to rock Catholicism, in that Bishop "Rodd" has been exposed as an archetypal hypocrite within a system that for centuries has colluded in the rampant deceit that celibacy denotes holiness. In Bishop Wright's case this has been to claim the fatherhood of a diocese at the expense of a 15-year-old son.

The Rev ANDREW P de BERRY  
Thurgarton, Nottinghamshire

Sir: Celibacy - why all the fuss? Have not popes in the past fathered children to whom they presented good positions with tax-free revenues? And I remember when I was in Malta during the war the late Dr Boffa showed me an orphanage which he assured me was reserved solely for the children of priests.

In Italy some years ago I was having Sunday lunch at the Fior di Mare restaurant, in Numana (the Marches), when a furious altercation broke out at two neighbouring tables. A lady from Ancona accused another lady at the next table of having stolen her ring. The lady from Ancona was sent to go to confession up at Massignano, a village where there was a young, good-looking priest. There was also a large life-sized statue of Christ inside the portico, with fingers outstretched. The lady from Ancona had given one of her family rings to the priest for the statue. And this was the ring she had spotted on the finger of the young lady from Massignano.

The carabinieri had to be called, and the ring was eventually restored. The priest in Ancona transferred



### Fight fairly on Internet porn

Sir: It is axiomatic that those who publish material on the World Wide Web or in Usenet newsgroups should not be treated more or less harshly by the law than those who use more traditional media.

Much of the SafetyNet proposal ("Industry moves to limit porn on the Internet", 23 September) is obviously intended in this vein. An essential part of the proposal (which is also referred to as R3, for "Rating, Reporting and Responsibility"), is that Internet service providers should require their users to rate their web pages so that those who use the PICS scheme can avoid the most offensive material.

PICS is a self-rating scheme, but in most implementations of it a failure to rate a page causes that page to be treated as most offensive - making it invisible even to those who have set their tolerance threshold at a fairly high level. This is the way it should work, otherwise the innocent might be exposed inadvertently to unrated and unlawful material.

The reliance on PICS, rather than a more centralised scheme with clearly announced standards, will inevitably impose huge costs globally on those who are innocent of publishing illegal material, especially when each separate web page must be rated in order to surmount the PICS hurdle. Those who are publishing illegal material

and who do not rate their pages will not be inconvenienced, since their pages will be concealed from those who would not wish to see them, whether rated or not.

Unlike traditional forms of publication, then, the burden of responsibility is placed on those who abide by the law rather than those who flout it.

MARK GOULD,  
Department of Law,  
University of Bristol

### Hungarian hero too outspoken

Sir: Adrian Bridge ("Bishop carries torch for Romanian minority", 23 September) is right to hail the Hungarian Calvinist Bishop László Tókés as one of the heroes of the 1989 revolutions in Eastern Europe because of his courage in defying the Romanian dictator, Nicolae Ceausescu.

But his influence over Romania's large Hungarian minority is exaggerated. On regular visits to Romania since 1990, it has been made clear to me by Hungarians dissatisfied with their rights that the bishop should confine his public role to religious duties. They fear that his outspoken criticisms of the government, and sometimes insensitive comments about Romanians in general, will only create fresh dangers for the community he genuinely seeks to champion.

Bishop Tókés, like Lech Wałęsa in Poland, is an inspired rebel who

has found the transition to orthodoxy politics hard to accomplish.

What minorities such as the Hungarian one in Romania need is pragmatic leaders who can combine with reform-minded members of the majority group to promote the real political and economic improvements which Romanians have yet to see seven years after Ceausescu's demise.

DR TOM GALLAGHER,  
Department of Peace Studies  
University of Bradford

Sir: Jonathan Eyal's erudite defence of the need by Nato not to neglect Romania at the likely event of Hungary's admission to that organisation by the end of the decade (letter, 18 September) sounds persuasive now that both countries have agreed to sign an offensive treaty.

Unfortunately, though, Nato's criteria for admission would still leave Romania without the right to join the first wave of new members. It also needs to recognise its borders with Ukraine and Moldova.

Until the Romanian authorities drop their insistence on including in inter-state treaties with Ukraine and Moldova a denunciation of the Molotov-Ribbentrop Pact, a demand which is perceived in Kiev and Chisinau as a thinly disguised territorial claim, then Romania will not have fulfilled one of the three criteria for consideration of Nato membership.

TARAS KUZIO  
University of Birmingham

### A Green present or a grey future

Sir: Your leading article of 23 September on the Liberal Democrats ended with the suggestion that by watching events at Brighton this week "we may see the glimmer of policies for the next millennium". If you had reported on the previous week's Green Party conference in Hastings you would have seen a very clear expression of the policies required today.

A basic income scheme to provide for everyone's needs. A shift from taxing desirables such as labour to taxing the undesirables of pollution and profligate energy consumption. Radical action to combat global warming. Abolition of nuclear weapons. A Europe based on a decentralised confederation of strong regions.

If we are to develop a healthy, sustainable world based on social justice in the next millennium it will come from a Green perspective, not from the growth-obsessed short-termism of the three grey parties.

DAVID CROMWELL  
Southampton, Hampshire

### Europe is on Murdoch

Sir: Although Polly Toynbee is to be applauded for turning a spotlight on the threat to British television ("Stop Murdoch now or regret it", 23 September), she is not fighting a lone battle.

The European Parliament last week voted by a significant majority for a comprehensive range of policies to defend public service broadcasters such as the BBC. Measures it approved, which were put forward in a report by the Labour MEP Carole Tongue, include keeping major sports events on free TV, obliging cable and satellite operators to carry public service programming and providing proper financial backing for the public service channels.

The reality, however, is that liberalisation with deregulation and privatisation has blinded policy-makers to the genuine public interest. Mesdames Tongue and Toynbee are rightly raising the alarm - but they are fighting philistines for whom the market is all that matters.

TONY ROBINSON  
Brussels

### Early name fame

Sir: Perhaps the earliest person still remembered in a country's name (Letters, 19 September) is Ashur (Genesis 10:11) whose name gave us ancient Assyria and modern Syria. Whilst not perhaps the oldest known example - Canaan and Nimrod might perhaps claim that distinction - Ashur's name not only survives in our atlases to this day, but also pre-dates Turk and Israel (Letters, 21 September) and exists in the names of at least two languages and three peoples as well, ancient and modern.

STEPHEN RAX  
Canterbury

### Iranian fighters

Sir: In a letter dated 17 September, Hushang Firnia, whose name is unknown to us, claims to be a former member of the People's Mojahedin of Iran and repeats the old absurdities uttered by the mullahs' regime time and time again. The reality is that the Mojahedin of Iran have not had any bases or forces in Iraq or Kurdistan for many years.

HOSEIN MIR ABEDINI  
Press Office, the People's Mojahedin  
London NW4

# The signs are clear: the future is inequality

As markets become global and the traditional workplace gives way to cyberspace, only the élite will have anything to offer to the world's economies. Ian Angell predicts mass unemployment for the unskilled, and a slow death for the nation state

**M**any too many are born. The state was devised for the superfluous ones." With these pithy words from another century, Friedrich Nietzsche heralds the demise of the nation state as we enter the next. The Industrial Age and its need for an over-supply of humanity spawned the nation state. But what is to be done with the glut as we enter the Information Age?

There will be no nice, tidy transition, rather a severe and total dislocation with the past. One thing is certain: the masses will not win in the natural selection for dominance of an increasingly élitist and cosmopolitan world.

Because of new technology the costs of production have dropped to a point where a billion new workers have entered the job market. Companies are globalising and mobilising, chasing "spot markets" in cyberspace. The costs of overcoming time and space no longer buffer the impact of cheap labour. The state has to be part of the global economy, so it is incapable of fending off foreign incursions. Mass unemployment is a cancer infecting every nation state, sending shock waves through their workforces.

The electronic transfer of money offshore has made tax avoidance a bigger business than narcotics. The next stop is off-planet banking.

Unhindered by national barriers, corporations will be truly

global. They can communicate globally, and their shareholders, executives and employees are spread out across the globe. They will relocate, physically, fiscally or electronically, to where the profit is greatest and the regulation least. Their profits are declared in low-tax countries, while they continue to operate in high-tax ones. The global company no longer supports the aspirations of the country of its birth.

Companies large and small move. When a British plastics company switched its polythene factory from Telford to China, 150 British jobs were lost, but its payroll bill was cut by 90 per cent.

Despite all the patriotic bleating, companies know that to remain competitive they can no longer afford to carry a large and overpriced inventory of a national "people product" of varying value and quality. It is no accident that most companies are presently downsizing, de-layering and outsourcing. Routine production jobs can be performed by robots or exported anywhere on the globe, so wages will converge worldwide to Third World levels.

"Social dumping" is also dragging down wages for service work, a sector which is itself being increasingly automated. In 1994 the International Labour Organisation claimed that there were 800 million sub-employed people in the world; the West must now suffer its fair share.

Job losses are not the result of some temporary downturn in

the economic cycle, but are the result of structural change. It is no good waiting for the upturn. Fundamental changes in the nature of work are taking place, changes as profound as when agricultural workers left the land for the cities and the whole fabric of society mutated. Now work is leaving the office and the factory for cyberspace.

The idea of a job, born with the Machine Age, is changing beyond all recognition. Work is becoming increasingly casual and part time among the mass of workers. No one will protect their interests. Released from a single location, companies are free to ring the death knell of dinosaur trades unions. Middle management, too, is under threat. Under the euphemistic banner of business process re-engineering, companies are firing a quarter of managers. The motto for everyone is "add value or perish".

Moralising politicians use the fact of "inhuman" working conditions in the Third World for their hypocritical justification of protectionist import controls in their pathetic attempts to stem the tide, but large corporations will ignore their pleas. Even President Clinton can't control corporate America in its feeding frenzy over the China market.

Politicians, both the knowes and the naives, incant the abracadabra words "training in new technology" and "jobs through growth" to conjure up new jobs for the huge number of soon-

to-be-unemployed. They will never learn that technology is the problem, not the solution. Today, productivity is delivered by a technology needing only a few machine minds. National economies can no longer grow themselves out of unemployment. Growth has been uncoupled from employment. It is created by the unique skills of a few entrepreneurial knowledge workers, not the labour of low-grade service and production workers.

The continuous innovation of entrepreneurs is the real generator of wealth. Their income will increase substantially as countries compete in a global market for their wealth-generating services, without which states will drown in a whirlpool of poverty.

Innovation happens in self-generating hot spots with incentives that stimulate investment and profit. The very concentration of innovation acts as a magnet for established innovators and a spur for new enterprise. But knowledge workers refuse to be treated as part of a homogeneous labour force as standardised units. Taleo, entrepreneurship, innovation – the great dividers of humanity – are diviners of economic success. Egalitarianism goes out of the window in this dog-eat-dog world.

The role of the state is to nurture, propagate and supply quality human raw material. Government is merely the supplier at the bottom end of the value chain that ultimately supplies

wealth, which is the product not of labour, but of individual intellect and determination. If a state cannot produce a quality "people product" in sufficient quantities, then it must buy it in from abroad; it must scour the globe for elite knowledge workers, no matter what their age, sex, race or religion.

This élite of rootless economic mercenaries will expect to pay less tax, not more. Governments are impotent as they face a triple whammy: substantially lower tax revenues, increased social security payouts, and the need to support "deprived areas". The books just do not balance.

The liability of a large, uneducated and ageing population is another major problem. The masses, with only a Saturday night lottery to sooth the blow, will put economic well-being before the dubious privilege of electing powerless representatives.

The lights are going out for whole categories of employment. We are entering an age of hopelessness, an age of resentment, an age of rage. Whole sectors of society who previously felt their future secure can see it slipping away. Dissent is fermenting, and normally law-abiding citizens, who have nothing to lose, are being sucked into a culture of protest and crime. In the winter of 1995, French workers and students took to the streets against Alain Juppé's government in a futile defence of their cradle-to-grave health and welfare systems. But as the peasants were protesting in Paris, the "gauchos of London" were profiting from speculation.

The slow redistribution of wealth that has occurred over the last centuries is being

PRIESTLEY



rapidly reversed. The disposable income of the majority will be drastically reduced. The rich are getting richer, and the poor poorer: the future is inequality. At the bottom of the heap we are witnessing an expanding underclass. The streets of London are again littered with beggars. The self-glamourising "New Age travellers" cannot disguise the fact that they are just a bunch of nomadic losers, whose survival depends on handouts from the tax-payer. Those tax-payers will demand restrictions on the mobility of travellers in return for their charity. The new Criminal Justice legislation is just the first step to the reinvention of the Poor Laws.

The state must behave as an economic institution, a national firm judged against the new economic circumstances. No state has an automatic right to exist. Government, like every other enterprise, will have to survive on the efforts of an élite few. It must represent success not failure; but in the Information Age, governments chosen by the majority are governments chosen by losers. The "will of the people" voting for full employment, a minimum wage and fair taxation is merely turkeys voting for Christmas. The politics of envy is suicide.

Democracy will degenerate to being the means of governing the immobile and dependent service workers. That citizens elect their slave masters makes their democracy slavery none the less. Democracy is an artefact from a time when the masses were needed. The big political question of the coming decades is how to find a socially acceptable means of dismantling democracy.

How can Middle England trust the present cast of parliamentary degenerates to lead us into this Brave New World? How can we expect leadership from those who get elected by kissing babies, and stay there by kissing backsides? The 'Tories', apologists for an aristocracy, have chosen the wrong aristocracy: yesterday's rather than tomorrow's. Despite all the spin-doctoring, Labour is still the party of the peasants; and the global power equation is unequivocal – "the sum of zeros is zero". As for the Liberal Democrats, Nietzsche says it all: the "honourable term for mediocres is, of course, the word 'liberal'."

Who will defend us? Globalisation has shown the James Bond myth, where the state is good and global corporations (Spectre) bad, to be blatant state propaganda – a morality tale told by tax collectors. James Bond, the patron saint of civil servants, the thug of state, is now a gauntlet. Goldfinger has won. The world belongs to the global corporation. The nation state is now desperately sick, and "a desperate disease requires a dangerous remedy" (Guy Fawkes).

Ian Angell, professor of information systems at the London School of Economics, appears in "The Hollow State", a two-part documentary on the end of the nation state, beginning this Saturday at 8.30pm on BBC2.

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## IrnBru beat PVC Anorak on bar bills...



**W**ell, it was another night of mixed fortunes for British football in Europe last night (writes our soccer pundit, René McGrath, safely back in his office at HQ) as some teams went marching through with their heads held high, some went creeping back with their tails between their legs and some are still stuck in an airport somewhere in Eastern Europe.

But perhaps unluckiest of all are the Midland maestros, M1 Wanderers, who came up against the Monaco champions

Sporting Casino, at their most tenacious. Let manager Dave Jimson tell the tale.

"Frankly, René, Sporting marched everything we could throw at them. We came out fighting in the first half. They came out fighting in the first half. We set off on some mazy runs. So they set off on some mazy runs. Then we really created some good chances, so they really created some good chances, but we couldn't put our chances away and they couldn't put their chances away either, so when it came to half time I gave our lads a good ear-roasting, but I think their manager must have given his lads a good ear-roasting too, because they came out after the interval willing to give it all they'd got, but luckily our lads were willing to give it all they'd got, after which they turned the heat on a bit and played the possession game, so we turned the heat on a bit and played the possession game...."

Suffice it to say that at the end of extra time it was still 0-0 and it went to penalties. Dave Jimson takes up the story again.

"Yeah, well, our first lad stepped up and stroked it past

their keeper, so then their first lad stepped up and stroked it past our keeper, so then our second lad stepped up and blasted it home from the spot wide of their goalies' desperately outstretched fingers, at which point their second penalty-taker stepped up and blasted it home from the spot wide of our goalies' desperately outstretched fingers, at which point...."

Yes, yes, but what was the result, for God's sake?

"Well, all the penalty takers got their goals, so then it went down to the spin of a coin, only, this being Monaco, local rules say that you have to use a roulette wheel and, if my rudimentary French is accurate, we not only lost the spin and the game but went down £500,000 on red."

Goodbye to M1 Wanderers then. And an ignominious exit from the Cup Winners Cup last night for Isle of Man Cup holders, plucky little Douglas Fairbanks United, who won the Isle of Man Cup every year since 1956 but only occasionally enter the Cup Winners Cup on the wild island card entry. They were unlucky enough to meet a Vatican Car-

inals XI on top form and even more unlucky to have two men sent off for making unwise remarks about Scottish Catholic Bishops. The 6-3 scoreline more or less reflects the difference between the two sides, ie, one side scored six goals and one only scored three.

Better luck, though, for the crack Scottish team IrnBru United who drew with the Norwegian team PVC Anorak on aggregate but got through on the away bar bills ruling.

"Aye, what a night!" said manager Kenny McKenna. "What a night! Ah cannae remember a thing! What a night it must have been!" Also on a winning streak were the Irish team Roverdance United, who came out 5-2 winners against Danish amateurs Ole Membrane. Here's Jim Dobson with the details.

"Well, René, I think you've got that a bit wrong there, because Ole Membrane is in fact Roverdance's new Danish left back, and they were in fact playing the crack Turkish Samsun Cup team Kırıksaray. Rangers in an enthralling contest which swayed first one way and then, hold on, I've got my

notes somewhere, and then swayed, hold on..."

"We'll get back to Jim Dobson as soon as he's got his notes sorted out. Meanwhile the sparkling Cumbrian side Melvyn Bragg Casuals were in action last night against Umberto Eco's Structuralists, and here is one of the exciting moments from last night's encounter.

"So, if I've got that right, and I speak only as a recent convert to sciencie, this may explain how tomatoes can double in size in one generation, but it doesn't really explain how Mozart wrote his greatest works, does it? So there may be a god after all? Yes, Alison, do you want to come in?"

"Yes, well, perhaps not one of the most exciting moments, but fairly typical, I think."

Other results in brief:

EUROPEAN SAME NAME CUP Keele 1, Kiel 1

Bury 1, Bari 1

Bari 1, Bury 1 (Bar through on fewer letters rule)

EUROPEAN RHYMING CUP

Yeovil 2, Deauville 2

## Crime is up! Hit the moral panic button



Polly Toynbee

Exploring the outer limits of human evil, we peer into our own dark souls and pleasurable frighten ourselves with our potential for sin

It was tempting yesterday to break into a broad grin on hearing the annual crime figures — up again! The sound of the Home Secretary wriggling on the radio will have generated many a gleeful smirk amongst all those toilers in the world of crime and punishment driven to despair by his policies. Crime up! Ha ha!

What is he to say to the Tory Conference in a fortnight's time, eh? Michael Howard has crowed that his tough policies work — 25 per cent more in prison — because the recorded crime figures dipped for three consecutive years. (Though the far more reliable British Crime Survey continued to show a steady upward climb.) But those who live by lies shall die by lies: the figures were complete bunk and hocus. By the same token, though, yesterday's figures are also bunk and hocus, for we do not know what the real crime rate is, nor even how it fluctuates. Of all government statistics the most mendacious are the police crime figures.

Erratically, they record changes in social and policing habits rather than crimes committed. The great mythical "crime waves" of the Seventies and Eighties coincided with a huge escalation in the number of people with insurance policies. (Those without rarely bother to report thefts.) A rapid rise in telephone ownership made reporting crime more common. Similarly, installing answerphones instead of policemen in rural police stations meant fewer people bothered to report rural crimes. Crime figures wobble wildly according to police priorities, the law and the courts: have rape and sex crimes really risen, or just the reporting of them? Police trying to improve their clear-up rate reduce their recording of unsolved crimes, while police bidding for more manpower try to increase them.

But 5.1 million crimes? That is a great many (and there are estimated three times more unreported). How frightened should we be? Burglary is deeply distressing, but what really alarms us is violence from strangers — yet that is rare and has risen the least. Ninety-three per cent of crime is against property. Only 6 per cent of crime is violent and only a tiny 0.6 per cent of that is serious. A quarter of serious assaults are domestic, while babies are the most common murder victims. Crime is highly concentrated — many areas having virtually none, while 70 per cent of crimes happen to those who have suffered already that same year.

Fear of crime is higher in Britain than in most of Europe — although "assault with force" rates are among the lowest: Germany and Holland are almost twice as high. Unwarranted fear keeps the old indoors,

women out of public transport and makes parents overprotective of their children.

But worse still, it grips the nation with moral panic. Whenever some young brute clocks up a hundred crimes, a child is cruelly slaughtered, or a teacher stabbed, the wall goes up, "What is becoming of us?" The smell of fear is in the air.

Keeping things in proportion gets harder as the abuse or willful ignorance of statistics grows. For instance, the number of homicides is almost exactly the same now as it was in 1857, at around 13 per million of the population. The rate has stayed broadly flat since the mid-1970s (and murder is the most reliable statistic). That does not sound very frightening. But if you prefer to be terrified, try this: in 1918 there were only 80,000 recorded indictable offences — now it is 5 million.

Crime is serious and people are right to be angry, for we all have our anecdotes and there are a multitude of causes and solutions over which we can all argue. Some might cry "terminal sin, single parents or like." I would point to European figures showing how theft and burglary rates track the graph of boom and bust, going up and down with unemployment.

For crime is the flip side of mass prosperity in a grossly unequal society. Believers in our moral decline point out that in the depressed but morally better 1930s there was little theft. But that comparison makes no sense then a huge homogeneous poor working class had nothing — nothing to envy and nothing to steal. Now there is virtually no working class, only a deprived underclass and a huge well-off class parading its Nike trainers and designer label chinos in front of the noses of the wretched young have-nots.

Although crime is only a small part of life, we have always been disproportionately fascinated with it — in literature, films, television, and gruesome cases that sell newspapers. Exploring the outer limits of human evil, we peer into our own dark souls and pleasurable frighten ourselves with our potential for sin. As a society, casting out transgressors defines ourselves and our values.

But that fascination is starting to run riot. Reasonable concern is turning into a moral panic that obscures any real understanding of the society we live in — largely prosperous, happy, peaceful and better educated than ever — but with some grave and intractable problems: poverty, unemployment, underachievement and, yes, crime. To solve them we need to study what works, how to prevent the worst and encourage the best — not wallow in morass of despair. Moral hysteria breeds paralysis or, worse, it generates the sort of useless punitive remedies prescribed by Michael Howard to please the frightened crowds.

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OUR SERIES ON THE PEOPLE JOCKEYING FOR INFLUENCE IN THE LATE NINETIES



THE NEW ESTABLISHMENT  
Day eight

### Think-tanks

They bear menaces rather than gifts — but new Labour is welcoming their ideas

By Peter Popham

going. "He's the most brilliant person I've ever met," says a former associate, and he's nice with it. Like many of the brash young, he's a graduate both of Balliol College, Oxford, and of Gordon Brown's office, where he worked from 1990 to 1992. He still has the great man's ear. Dennis Stevenson, chairman of the trustees at the Tate Gallery and a burgeoning New Establishment figure himself, is likewise a fan.

Tomorrow: Mandelson's people

## Where have all the nurses gone?

By Christine Hancock



A localised pay system keeps their wages down, but their skills are in greater demand than ever. And they are disappearing

At last it's official. The health service has too few nurses. We are facing a recruitment crisis that could stretch well into the next century. After two years reminiscent of television's *The X-Files*, during which the Government denied all knowledge, it now admits that we have a problem.

Nurses have warned of it for some time. A survey released today by the Royal College of Nursing proves it. By the year 2000 a quarter of all registered nurses will have reached retirement age, while the number of nursing students has dropped by 39 per cent in eight years.

Yet demand for nurses is rising sharply. Although NHS demand has remained relatively unchanged, there has been a massive increase from independent providers such as nursing homes. They employ 26 per cent of all registered nurses. Ten years ago this figure was only 8 per cent. In the NHS, too, demand is now expected to start rising.

The facts about nursing shortages speak for themselves. We all know of someone whose operation has been cancelled, someone who has been waiting on a list for years, or has been turned away from hospital because a bed can't be found. Roughly translated, that means there aren't enough nurses.

What has the Government done so far to alleviate the shortages? First, it denied the shortages. Next, it began to reinstate some of the lost training places for nurses. But its main contribution was to introduce a system of local pay which forces nurses to negotiate with their managers. This year, nurses were awarded a national increase of 2 per cent. The Government said it had high hopes that this would be topped up locally.

In fact, only a tiny percentage has received anything more than 2 per cent. Doctors, meanwhile, received 6 per cent and MPs will get 26 per cent. Both have national awards. Nursing's pay review body, unlike that of the MPs, has not considered the consequences for the nation's health of a prolonged recruitment crisis. Nor has it considered the amount nurses receive compared with other professions.

Nurses still lag well behind all comparable professions. While a newly qualified staff nurse earns less than £12,000 a year, a police constable gets £14,500. Meanwhile, a ward sister with several years' experience often earns £6,000 less

than a police sergeant. Two-thirds of nurses questioned in today's survey believe that they would be paid more for less effort if they left nursing altogether. And last year 6 per cent did just that.

The Government has forgotten what Mrs Thatcher knew. She established the review body to avoid unrest. She was reluctant to continue a war with nurses because she knew the enormous public support that nursing enjoys.

She was right. Looking ahead to the next election, if we go by today's opinion polls, then the Labour Party should now learn from the Government's mistakes. The RCN has never been in a situation in which it has opened up so much clear water between the parties. By demanding a national award for nurses set by an independent review body, we have distanced ourselves from the Government. Ironically, at the same time, New Labour is reluctant to make any commitment.

If the Labour Party wants peaceful, constructive relationships with the largest professional group in health care to ensure the highest standards

of patient care, it should commit itself to a national award for nurses. Not out of old-fashioned principle, nor because we have a National Health Service, but because it makes sense to treat nursing as a national professional group.

For other health service employees, local pay and local labour markets may make sense. But nurses and similar professionals receive intensive training for three years or more. A growing number are graduates. You can't attract more people into nursing at the drop of a hat, nor by offering

them a few more pounds that they have to negotiate for.

Nurses are a valuable national asset, trained to the same high standards throughout the country. A national perspective on the recruitment and retention of nurses must now go hand-in-hand with a system of national pay.

Today, nurses everywhere are taking on new roles and responsibilities. In hospitals, nurses are working alongside surgeons where it makes sense. Reports of nurses carrying out minor operations have not led to howls of protest from patients, because, frankly, patients feel safer when there's a registered nurse around. In the community, many nurses are working in partnership with GPs, taking on such tasks as vaccinations, intensive home nursing care, and running women and well-men clinics.

We have to ensure that there are enough nurses to deliver these services. This will never be achieved through local pay. Today's survey shows that nurses who have left nursing or who intend to leave him local pay for their decision.

Nurses want a commitment to a system of national pay. Nothing else will do. If we don't get it, anger and unrest might be among the least of the Government's problems.

Some trusts are already looking at alternative arrangements because they can't get enough nurses. We have seen attempts to train other health workers — including cleaners — to carry out nursing duties. The nightmare of calling for a nurse and being attended to by a cleaner has understandably unsettled patients and the public.

Such initiatives do signal a move towards lowest-common-denominator health care. Yet today, some nurses are undertaking part of their training with doctors and therapists. Nurses and doctors are now beginning to understand which treatments work and why. This knowledge is crucial. If we are to provide the best cost-effective care in the future we cannot put these innovations at risk.

As we approach the general election, might I suggest a slogan that will mean something to the public? It is this: "When you need it, you will be cared for by a registered nurse". I guarantee you will get a reaction — not least from more than half a million nurses, as well as the families and patients who depend on them.

The writer is general secretary of the Royal College of Nursing

## We'll stop the Red Flag flying

The Labour Party is thinking the unthinkable — that it should no longer sing the most singable, most poignant, most battle-hardened hymn in its revolutionary repertoire. Tony Blair would probably prefer to drop "The Red Flag" — the tune Attlee's victorious MPs chanted as they paraded through the Commons lobbies in 1945.

But how do you replace a song whose chorus promises "though cowards flinch and traitors sneer/we'll keep the red flag flying here"? Written by Jim Connell, a Victorian Catholic Irishman who filled it full of blood sacrifice, and sung to the tune, "Oh Christmas tree, oh Christmas tree/How lovely are your branches." "The Red Flag" combines populism with fundamentalism.

Parties are often not adept at changing their political tune. When Labour adopted Queen's "We are the champions" for its 1992 conference, it looked yobish. And the Liberal Democrats, accompanied this week in Brighton by "Search for the hero inside yourself", sound as though they are selling not policies but perfume.

So what could Labour do, if it decided to jettison "The Red Flag"? One simple alternative would be a famous but bastardised version of the hymn, striking an aspirational new Labour pose, which begins: "The working class can kiss my ass/I've got the foreman's job at last". Another rendering whose time has come opens: "The cloth cap and the working class/As images are created/For we are Labour's avant-garde/And we are educated."

But perhaps a new tune is needed. In Labour circles, there's much support for

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## Fed surprises markets by holding interest rates

RUPERT CORNWELL  
and CHRIS GODSMARK

The US Federal Reserve yesterday took world financial markets by surprise by deciding to leave American interest rates unchanged.

The decision, taken by the Fed's open markets committee after a meeting in Washington, sent US shares soaring with the Dow Jones Index reversing a 30 point fall to show a 24 point gain within minutes of the announcement.

The decision, which had been keenly awaited on Wall Street,

means that the key fed funds rate remains unchanged at 5.25 per cent.

Last night this was being seen as a setback for anti-inflation hawks at the Fed who had made no secret of their desire to see rates move higher to choke off inflation.

However, the failure to raise rates was a failing for President Clinton who has been counting on a trouble-free economy in the run up to November's presidential elections.

A majority of US analysts

had expected the Fed to raise rates, particularly after a leaked

report last week showing that eight of its 12 regional Fed bank presidents supported a move upwards.

Philip Orlando, chief investment officer at Value Line Asset Management said the decision to leave rates unchanged was "fully justified given the complete absence of inflation".

But Graham Tanka, president of Tanka Capital Management, said he was disappointed that the Fed had not taken "a golden opportunity to nudge rates on" as a pre-emptive strike against inflation.

The news bolstered the pound, but had little impact on the stock market, which was

more preoccupied with speculation of a rise in US interest rates.

Earlier the London markets had been buoyed by good economic news on the domestic front as dealers waited nervously for the outcome of the Fed meeting.

The sharp improvement in Britain's trade balance also gave the Government a further boost while other figures showing better than expected growth earlier this year were seen by economists as effectively ruling out further cuts in interest rates.

The US long-bond market rose by nearly two-thirds of a point, cutting the yield to just under 7 per cent.

At the start of trading Wall Street had been unnerved by a profits warning from the US telephones giant AT&T, which

said its earnings in the second half of the year would be up to 10 per cent below market estimates.

The UK statistic showed a balance of payments surplus of £457m between April and June, compared with City forecasts of a deficit of around £1bn. In addition, a trade gap of £1.1bn in the first quarter of the year was revised down to £0.8bn.

The improvement came entirely from the trade surplus from investment income, which rose from £2.4bn between January and March to £4bn in the second quarter. This more than

compensated for a slight increase in the deficit on traded goods from £3.5bn to £3.6bn between the first and second quarters.

Other figures released by the Office for National Statistics showed the economy grew by 0.5 per cent between April and June, an increase from the previous estimate of 0.4 per cent.

Growth in the first quarter was also revised upwards from 0.4 per cent to 0.6 per cent.

The changes made the annualised growth rate so far this year look much better than had been previously thought.

UBS, the Swiss investment bank, was yesterday fined £20,000 by the Securities and Futures Authority after the discovery that two of its staff inflated the value of their trading positions by £8.9m during 1994.

The paper loss caused no significant risk to UBS's business, but is an embarrassment in the wake of a series of other disasters caused by traders hiding their dealing positions from their managers - the most notorious being Nick Leeson, whose actions broke Barings.

James Keen, a former convertibles and warrants trader at UBS, contested his case at the SFA tribunal but failed to avoid a reprimand, a £2,000 fine and an order to pay costs of £5,000.

His former boss, Mark Larkin, an American who was head of convertibles and warrants, has been fined £10,000, ordered to pay £4,500 in costs and expelled from the SFA's register of managers.

The SFA first instigated proceedings against UBS, Mr Keen and Mr Larkin in June and July 1995. But because Mr Keen took the proceedings to tribunal the affair has not become public until now.

Both men were sacked by UBS in 1994. Mr Keen, now 29, has not been barred from the SFA's register of traders. He was briefly registered with another firm, Tradition, until February 1995 but is no longer on the SFA's register. Mr Larkin is also not on any of the SFA's registers and details of the action against him have been passed to the Securities and Exchange Commission, the US regulator.

"UBS has admitted that it failed between March and May 1994 speedily to identify and remedy the fact that a number of positions, held by the convertibles and warrants desk had been mismarked, causing it to be in breach of SFA's rules on marking to market," the SFA said.

"UBS, which was also required to pay the SFA's costs of £8,000, passed on the details of the problem to the regulator. The SFA took this, and other factors such as the bank's decision to strengthen its review procedures, into account.

"As at 12 May 1994, when the positions were revalued in accordance with SFA's rules, there was a divergence of £8.9m between the level at which the positions had been marked and their market value," the SFA said.

The problems stem from Mr Keen's convertible bonds position, which was badly hit when world bond markets collapsed in February 1994. He appears to have believed the market would move back in his favour and may have been fudging his positions while he waited for the markets to recover.

But, under SFA rules, trades must be accounted for at their current market value and, according to the regulator, Mr Keen breached these rules on "marking-to-market" between February and April 1994.

## Watchdog uncovers water profits misuse

CHRIS GODSMARK  
Business Correspondent

Ian Byatt, the water industry regulator, yesterday revealed damning evidence showing for the first time how the 10 privatised water companies have used their profits to subsidise hundreds of millions of pounds of activities by a web of non-regulated businesses.

The extent of the conflicts of interest and cross-subsidies only emerged after six months of investigation by independent inspectors appointed by Ofwat, the industry watchdog. They uncovered huge discrepancies between different companies in the scale of trading between the main regulated water operation and unregulated subsidiaries set up after privatisation such as engineering consultancy, contracting and computer support.

The research suggested some of the companies had ignored guidelines published more than two years ago by Ofwat imposing a statutory duty to keep the regulated water businesses at arm's length from the quoted parent group.

Problems highlighted included cash paid by the regulated water operations to the parent company which was not directly linked to specific services; contracts awarded to in-house subsidiaries which were not put out to competitive tender and potential conflicts of interest where directors of the water divisions were also directors of the non-regulated businesses.

Mr Byatt said despite some

changes made by the water companies since the investigation began, he remained concerned about a situation where they did a lot of their business with subsidiaries of the parent group.

The findings were seized upon by Labour, which said they vindicated warnings that privatised water companies were creaming off money to finance other activities. Frank Dobson, the party's environment spokesman, said: "It shows that the present regulatory arrangements are not up to the task of tracking what is actually going on".

However, Ofwat blamed the companies' auditors for not spotting their lack of compliance

with the guidelines. He said: "It is not the regulator's job to audit company procedures... the reviews have shown the need for improved scrutiny of company compliance in this area by their auditors."

According to the regulator, the 10 privatised companies had non-regulated operations with sales of more than £300m in 1994-95. In the case of five out of the 10 companies, these subsidiary businesses derived more than a third of their business from the main water division.

Southern Water, which has since been taken over by Scottish Power, came off particularly badly, with 58 per cent of its non-regulated income derived from

the water business. Southern also disclosed that not one of its contracts had been put out to competitive tender.

Southern said it was "benchmarking and market testing"

some of its non-regulated operations, but still had 25 subsidiary companies which derived some or all of their work from the water business.

The inspectors found Southern's consultancy business, called McDowell, did the majority of the feasibility studies, design and supervision work for the regulated water companies at prices in excess of market rates. These charges have since been reduced.

Five other water firms put less than 10 per cent of contracts out to tender: Welsh Water, Northumbrian, North West, Severn Trent and Yorkshire.

Action taken by the companies in response also varied widely. Thames Water and South West Water had removed all cross-directorships, whereas North West Water said in such situations directors would abstain from voting on decisions where conflicts of interest could occur.

Northumbrian, Southern and Severn Trent had since agreed to market test only "a proportion" of such services.

Separately figures published yesterday showed water bills this year have risen by twice the rate of inflation. The consultancy firm NUS said water prices in the UK had gone up by 4.9 per cent in 1996.

Comment, page 19

### Companies trading with subsidiaries (1994-95)

	Trade with associates as turnover	% of associates	Contracts with associates
	% of regulated derived from turnover	regulated business	not let by tender or by value
Anglian	4	35	58
Welsh Water	15	34	99
Northumbrian	9	20	97
North West	3	7	97
Severn Trent	6	23	92
Southern	19	58	100
South West	16	41	74
Thames	6	26	59
Wessex	2	1	34
Yorkshire	5	41	99



Still concerned: Ian Byatt is worried about water companies which do a lot of business with subsidiaries of the parent group

Photograph: Craig Easton

## Court ruling leaves Brent Walker reeling

TOM STEVENSON  
City Editor



George Walker: Stands to get £5m after Paris decision

The future of Brent Walker hung in the balance last night after a French court ruled that the betting shops to pub group should repay its former chairman and chief executive George Walker more than £6m. The decision threatened to trigger a promise from Standard Chartered, one of the company's biggest lenders, that it would put Brent Walker into receivership rather than pay anything to Mr Walker.

George Walker said last night he was delighted by the decision, which backed a claim dating back to 1989 when the former boxer lent £20m to Brent Walker to help fund the acquisition of the William Hill chain of bookmakers from Grand Metropolitan. Half the debt was paid back but £10.2m remained for many years in Brent Walker's books as a contingent liability which the company then refused to pay.

After the decision in Paris yesterday, Brent Walker launched an immediate appeal

and also threatened to issue an injunction against Mr Walker, preventing him from attempting to wind up the company. It is thought Mr Walker would prefer to see the company wound up rather than have it fall into receivership.

Through his lawyers,

Harkavy, Mr Walker also

launched an appeal against

the amount of the award which he had hoped might reach £18m including interest on the outstanding loan.

## Laura Ashley continues recovery

NIGEL COPE

The recovery at Laura Ashley, the clothing and home furnishings group, took another step forward yesterday when the company announced its first interim dividend since 1989. The announcement of a 40p payout accompanied a 73 per cent increase in pre-tax profits to £5.2m for the six months to July.

In current trading Laura Ashley stores are enjoying strong sales increases in the UK though sales in the US show only a modest increase and are down sharply in Continental Europe.

If Brent Walker, which continues to struggle under a £1.4bn debt mountain, were to be put into receivership, the company would lose its stock market quotation and tax losses of up to £900m, which might be attractive to a bidder, would be lost.

The threat of receivership follows a summer of speculation over the future of Brent Walker's two main subsidiary companies, William Hill and the Pubmaster chain of mainly tenanted pubs.

Five venture capital groups are thought to be lined up to bid for the 1,700-strong chain of pubs after Hill Samuel, which advises the group, appeared to have failed to find a trade buyer for the outlets.

due to the poor economic climate in some countries.

Shares in the company fell 10 per cent to 193.5p as the results were below some analysts' expectations. There was also some profit taking after the shares' strong recent run.

Ann Iverson, the company's chief executive who joined the group last year, said she was encouraged by the performance so far. "It's been a good year for Laura Ashley. Some things have been easy, some have been tougher. But we're on track and we're very pleased about it."

Stripping out store closures, in-house manufacturing plants

up by 10 per cent, home furnishings outperformed clothing in all markets and Ms Iverson said furnishings might eventually account for more than 60 per cent of group sales.

The company is working to increase margins and reduce mark-downs and costs. The supply chain is also being modified and will be reduced to a smaller number of high-quality, higher-volume suppliers.

The future of the company's in-house manufacturing plants are still under review. A total of 150 staff have been cut since last year, including 66 redundancies.

## Voting shake-up lifts Parker

MAGNUS GRIMOND

Cornwall Parker, maker of the famous Parker Knoll recliner armchair, saw its voting shares soar yesterday after bringing down the curtain on four generations of family dominance.

The 107-year-old company announced plans to end the dual share structure which gave voting control to the descendants of the founder, Frederick Parker. At the same time, the

two last remaining family representatives on the board are to relinquish executive duties, with chairman Martin Jourdan taking on a non-executive role.

News that holders of the voting shares are to receive a two-for-three scrip issue to compensate for loss of control sent the thinly traded shares 65p ahead to 240p. They are now 100p higher than where they were at the start of September. The non-voting A shares were left almost un-

moved by the day's events, slipping 0.5p to 165p.

Analysts had been expecting moves to update the share structure since the arrival last year of a new chief executive, James Moore, who has been shaking up the business. Yesterday, he unveiled pre-tax losses deepened from £296,000 to £1.08m for the year to July. Excluding exceptional profits, profits jumped from £1.04m to £3.6m. Comment, page 19

## Telewest rejects GSB channels

MATTHEW HORSMAN  
Media Editor

Telewest, the UK's largest cable operator, is refusing to carry seven new television channels backed by media giants BSkyB and Granada until it has canvassed its subscribers about whether they are willing to pay for the services.

The move by Telewest will upset the ante in the continuing battle between BSkyB, Rupert Murdoch's satellite broadcaster, and the UK's cable operators, which have complained in the past about BSkyB's dominant position in the pay-television market.

According to Telewest sources, the decision was prompted by its concern that subscribers would be unwilling to pay an extra £1 a month for their basic cable package in order to meet the costs of adding seven new channels offered by Granada Sky Broadcasting (GSB), a joint venture between Granada and BSkyB. Sources at Granada and BSkyB, however, say the move was purely a negotiating tactic to extract better terms from GSB.

The channels include Granada Plus, a nostalgia channel fea-

turing repeats of programmes from Granada's extensive television library, as well as lifestyle strands like food and drink and health and beauty.

## Byatt cannot wash his hands of water scandal



This drip-drip process of siphoning money from one pot to another – otherwise known as transfer pricing – has been going on for seven years without Ofwat apparently noticing.

Somehow it sticks in the craw to have to agree with Frank Dobson but for once Labour's environment spokesman is right when he complains that Ofwat may not be up to the job of regulating the privatised water companies.

The report yesterday by the director-general of Water Services, Ian Byatt, highlighting the way that the 10 companies have been feather-bedding their non-regulated businesses at the expense of customers in their core water and sewage businesses is shocking enough.

What is more disturbing, however, is that this drip-drip process of siphoning money from one pot to another – otherwise known as transfer pricing – has been going on for seven years without Ofwat apparently noticing.

But what takes the biscuit for sheer audacity is Mr Byatt's calm assertion that it is all the fault of the auditors. If Ofwat is not there to police and prevent this sort of behaviour through the licences conditions laid down for the privatised water companies then what is it there for?

Ofwat is hardly short of the requisite powers to stop this sort of thing and yet the floodgates appear to have been stuck on open since privatisation in 1989. The water industry's record on diversification into non-regulated businesses has been appalling. When those associate companies rely upon the regulated business for more than half their turnover, the scope for abuse becomes even more apparent.

And abuse there has been by the bucketful, from charging central costs only to profitable parts of the group to letting contracts to associate companies without a single competitive tender.

Mr Byatt says he has now spoken to the offending companies and they have agreed to "remedy their practices in line with Ofwat's wishes". You bet they have. That may not be the end of the story. Transfer pricing is the kind of phrase that makes taxmen prick up their ears and scent blood. There is enough in the Ofwat report to merit close scrutiny.

As for Mr Byatt, he has rather blotted his copybook and his reputation as the most capable and astute of the regulators by publishing the evidence only to then wash his hands of responsibility.

**Better to lead than to be pushed**

The family shareholders at Parker Knoll have declined in the executive chairs that made it so famous, taken a long hard look at what happens to those who try to hold back the tide of enfranchisement and sensibly decided to abandon the company's dual share structure.

This, of course, is not an act of pure philanthropy, borne out of higher motives such as a belief in shareholder democracy. The two-for-three scrip issue that the 40-odd

family shareholders will enjoy provides them with a highly lucrative exit route from a business that most of them have probably long since lost interest in, especially after it was renamed Cornwell Parker.

In this day and age a company controlled by those holding just 7 per cent of the shares in issue is not, in any event, a tenable proposition long term. It was only a matter of time before the holders of non-voting shares – one 93 per cent of the shareholder base – began agitating for change.

Nevertheless, the Parkers and the Jourdans, the two founding families behind the business, deserve two beers for passing it on to a new set of shareholders in a manner most likely to ensure its continued success.

It was Martin and Tom Jourdan, the two remaining family members on the board, who decided to bring in a new chief executive, James Moore, give him a free hand to overhaul the strategy and then volunteer to step aside.

Dual voting structures are anachronisms. They make for illiquid stocks, depress share prices and increase the cost of raising capital. But there are more compelling reasons for abandoning such structures.

At Liberty, the Stewart-Liberty family interim took over their voting shares for grim deals and look what happened. A South African interloper broke up the cosy party and two changes of management later the business is only just recovering from a torrid five years of guerrilla warfare among shareholders.

In opting for enfranchisement, Cornwell Parker is following an increasingly well-worn path already trodden by the likes of GUS, Greenalls and more recently Pifco. But there are still some dinosaurs out there. Schroders, the Savoy group and even the mighty Daily Mail & General Trust may care to reflect that it is better to lead rather than be pushed.

### A plan to reduce the annual angst

The average annual meeting is a mind-numbingly boring ritual at which shareholders and managers meet, talk, but fail abysmally to communicate.

Even the Department of Trade and Industry has acknowledged that the shambles of the agm does not credit to the shareholder democracy it has been trying to encourage.

In April it published a consultation document containing some ideas that would give shareholders more opportunity to get meaningful answers out of their boards. With the threat of government intervention in the air, the Institute of Chartered Secretaries and Administrators, representing the company secretaries who stage the ancient and discredited annual meeting, stepped in yesterday with a voluntary guide to good practice at agms.

There was an audible sigh of relief from the DTI, which loves a good voluntary code of practice since it allows ministers to avoid doing anything themselves.

The guide includes a new requirement that all directors, not just non-executives, must put themselves up for re-election by rotation. But like the DTI, the company secretaries pour cold water on radical proposals from shareholder activists to force institutions to cast their vote on every issue, and to make it mandatory for companies to pay the costs of circulating shareholder resolutions.

The most interesting idea from the secretaries is a cheap and easy way to give more influence to the vast numbers of pension fund and other investors whose shareholdings are aggregated in fund managers' nominee companies.

At present, the nominee company can appoint just one representative to speak at the annual meeting. With many pension funds now managed by vast City organisations, their individual voices have been silenced. The DTI suggested a change in the law to allow the individual pension fund trustees and other investors represented by the fund manager to speak at agms.

But company secretaries reckon the same result can be achieved effortlessly, without legislation, if the nominees issue a separate proxy card to each of the shareholders they represent. The board should then use its existing powers to waive the rule banning proxies from speaking.

The idea is so simple it is odd that it has not been thought of before. Perhaps it ought to be incorporated in the Stock Exchange listing rules.

## Rank buys Cobleigh in £96m deal

TOM STEVENSON  
City Editor

Another fortune was made in the booming eating-out market yesterday after Rank paid £95.6m for Tom Cobleigh, a chain of 44 managed pubs that was started from scratch only four years ago. Derek Mapp, Cobleigh's managing director who chipped in £170,000 in 1991 to acquire the group's first pub, stands to pocket £6.4m from the deal.

The other main beneficiary of the sale is European Acquisition Capital, a venture capital group that invests funds mainly for pension funds, which has transformed its original £10m investment into £47.5m. EAC put the group into play earlier this summer when it indicated it wanted an exit, either through a placing or trade sale.

Mr Mapp said he was happy with the sale to Rank, which has allowed him and three other founder directors to realise their investment while remaining with the company to achieve their ambition of building Tom Cobleigh, which trades under the motto "Unpolit Pubs for Nice People", into a national brand.

Neither the founders, who have committed to stay with Rank for three years, nor EAC sold any shares on flotation less than a year ago when Cobleigh

raised £22m via a placing of shares at 150p. Rank's takeover, which is understood to have beaten a rival offer from Yates Wine Lodge, was pitched yesterday at 240p.

Andrew Teare, new chief executive at Rank, said the acquisition was in line with his recently stated strategy of concentrating on the group's leisure retailing activities while withdrawing from its long-standing investment in the Xerox office machines business. He denied the deal meant Rank was poised to make a string of pub acquisitions.

He said Rank would accelerate Tom Cobleigh's already ambitious opening programme which had envisaged 16 new openings this year. A similar level of new pub openings is planned for the next two years "leaving us with 80 plus units and an extended geographic profile".

Rank had considered setting up its own branded outlets, Mr Teare said, but buying Cobleigh had given it a five-year head-start. Rank's shares closed 7.5p lower at 431.5p as the market focused on the price being paid for the company which represented 27 times forecast earnings for the year to next March.

The acquisition is the latest in a run of fully-priced recent purchases of small entrepreneurial pub companies.



James Sexton (right) and Colin Rowley, finance director, celebrating the group's first year on the Alternative Investment Market with a 62 per cent rise in annual profits to £18.8m. Stripping out a £7.45m

part of the relocation of the Southern Daily Echo and other Southampton-based weekly titles, operating profits only edged ahead, however. The group said the current year would see the virtual completion of

printing operations, although the full benefits will not come through until next year. The group is raising the dividend by 15 per cent to 17.75p.

Photograph: News Team

## IOD warning against tax cuts

CHRIS GODSMARK  
Business Correspondent

The Institute of Directors yesterday issued a stark warning to the Government not to cut taxes in November's Budget, urging the Chancellor, Kenneth Clarke, instead to correct an "alarming" deterioration in public finances.

In its pre-budget submission, written by Stephen Davies, a former senior Treasury economic

adviser, the IOD called for £7bn to be slashed from Government revenues. Savings of £5bn could come from public spending cuts and a further £2bn from the Treasury's reserves.

Tim Melville-Ross, the IOD's director-general, said: "Progress on sorting out the public finances has simply not been achieved... I think it would not be too strong a word to say we are alarmed by the lack of progress in that direction."

The IOD said the state of the public finances was getting "ever more disturbing" as tax revenues fell short of Treasury predictions. In addition, lower-than-expected inflation meant Government spending plans for 1997/98 were more generous than they appeared in cash terms.

Mr Melville-Ross said the IOD had received "virtually no calls" from members urging further tax cuts. "Even your

average Conservative voter understands the wisdom of a prudent budget", he said.

But the IOD admitted that the Chancellor was almost certain to ignore the advice and press ahead with tax cuts. Today the CBI will issue a similar call for the "prudent budget". "There's clearly strong political pressure on the Chancellor to cut taxes... I suspect he will put £1bn or £2bn into income tax reductions," Mr Melville-Ross explained.

### CAFE ROUGE RESTAURANTS

**LONDON:** Battersea, Blackheath, Canary Wharf, Chelsea, Chiswick, Clapham, Crouch End, Dulwich, Ealing, Earlsfield, Fetter Lane, Fulham, Fulham Palace Road, Finsbury Street, Hampstead, Hays Galleria, Highgate, James Street, Kensington, Kew, Knightsbridge, Limehouse Lane, Maida Vale, Old Brompton Road, Portobello, Putney, Richmond, Sheen, Southgate, Shepherds Bush, Strand, On The Green, Wandsworth, Wellington Street, West Hampstead, Whiteleys, Wimbledon, St. John's Wood.

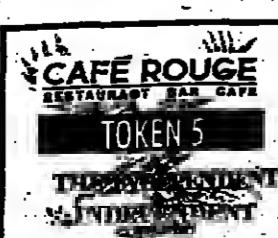
**OUTSIDE LONDON:** Aberdeen, Bath, Beckenham, Birmingham, Bremwood, Brighton, Bristol, Cambridge, Canterbury, Chelmsford, Dorking, Edinburgh, Esher, Glasgow, Guildford, Harrogate, Henley, High Wycombe, Kingston Hill, Knutsford, Loughborough, Manchester, Oxford, Pinner, Reigate, St Albans, Sutton, Weybridge, Wimborne.

If you are not sure where your nearest Cafe Rouge is, simply call 0171 478 8042 for details. Opening hours are Mon-Sat 11am-11pm, Sun 12pm-10.30pm. For city branches, check with your local Cafe Rouge.

### THE INDEPENDENT ON SUNDAY

## Lunch for £5, Dinner for £10

at **CAFE ROUGE**  
RESTAURANT BAR CAFE



### THE INDEPENDENT SPECIAL OFFER MENU

#### £5 Lunch

*Hors d'OEuvres*  
*Salade de Merguez*  
*Salad of Warm Spicy Sausage with Red & Green Peppers*

*Salade de Bleu d'Auvergne*  
*Salad with Bleu Cheese*

*Plats Chauds*  
*Salmon Grillé*  
*Bœuf Bourguignon*  
*Grilled Salmon with Red Wine*

*Plat Chauds*  
*Salade de Bleu d'Auvergne*  
*Salad with Bleu Cheese*

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*Salade de Bleu*

## Tarmac finds recovery elusive

### THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

As Britain's biggest civil engineering and contracting group, Tarmac ought to have good idea of the lie of the land. The trouble is the company has developed a reputation for crying on the side of optimism too often. Its most costly error was to badly misread the housing market - a decision that ultimately resulted in last year's £600m asset swap with Wimpey's minerals and construction business.

Yesterday Nevill Simms, Tarmac's chief executive, again brushed aside the gloom and doom emanating from rival contractors. In particular, he highlighted the cost benefits arising from integrating the Wimpey activities.

These are expected to yield more than £35m - twice as much as previously expected - and will put Tarmac in a strong position when market conditions improve. However, evidence that such a recovery is in sight is as elusive as ever.

In the year to June, underlying pre-tax profits fell to £6.7m from £29.1m, at the bottom of market forecasts, due to tough markets and bad weather. Including a £65m exceptional charge for restructuring the Wimpey activities, including 1,400 redundancies, a 26,000 workforce, the half-time loss widened to £8.3m from £15.9m.

The biggest hit was taken in construction services. Profits here shrank from £5.5m to £700,000 as the design consultancy business slipped into a £2.8m loss, versus a £2.6m profit, after orders dried up. Mr Simms admitted Tarmac, preoccupied with Wimpey, had taken its eye off the ball.

The heavy building materials division fared better, with profits rising a fraction to £39.1m. But the picture here is far from rosy given the heavy exposure to the UK roads programme, which is being cut to ribbons. Volume declines of up to 24 per cent cast doubt on Tarmac's ability to push through single-digit price increases for much longer.

Similarly, doubts must be expressed about Mr Simms' enthusiasm for the Government's Private Finance Initiative, where Tarmac is in contract or preferred bidder for £200m of work. Few other contractors, or financiers, share Tarmac's belief in PFI's prospects.

Of equal concern is gearing of 66 per cent which must raise a question mark over the 5p dividend being maintained. Société Générale Strauss-Turnbull has cut its forecast for pre-exceptional profits this year to £68m from £86m and has lowered its 1997 estimate to £94m from £114m. That implies a p/e of 19

falling to 14 with the shares up 3p to 96.5p. Given Tarmac's overwhelming bias towards the dull UK construction market, that looks expensive.

### Steep price for More O'Ferrall

More O'Ferrall, the billboards to illuminated bus shelters group, is the dream investment - it enjoys a dominant position in a fast growing sector and has plenty of scope to grow in immature overseas markets. It is well-financed with enviable cash flow.

Interim figures yesterday came with some bad news - the O'Ferrall is to be dropped to better reflect the fact that Adsell, the fast growing bus shelter arm, is now as big in group terms as the core More O'Ferrall billboards operation.

There was nothing else to complain about.

Pre-tax profits of £6.2m were 33 per cent higher than last year's first half of £4.7m, struck from a 21 per cent increase in turnover from £39.3m to £47.8m. Earnings per share grew in line with profits to 12.4p and the interim payout rose 6 per cent to 3.6p (3.4p). Strong cash flow helped debts fall 31 per cent to £10.2m.

Driving those good figures was a marked shift in advertising fashion, away from television, which no longer delivers the mass audiences of old, towards outdoor media. Blue-chip advertisers such as BMW, Kellogg's, Pepsi and Procter & Gamble have started using outdoor advertising for the first time this year, but even so 200 of the top 300 brands have never used it. There is plenty of scope for growth through new clients.

Elsewhere, More's new five-year plan envisages growth coming from diversifying away from bus shelters to backgrounds such as recycling bins and public toilets, from increasing yield per

site by using shorter campaigns and better illumination, and from expanding in new markets such as south-east Asia.

The problem with such attractive investments, of course, is that they come at a price. On the basis of forecast profits of about £18m this year the shares trade on a p/e of about 20 (691.5p, down 2p). For a growth rate going forward in the mid to high teens that is pretty steep.

### McKechnie is back on track

McKechnie, the plastic mouldings to fasteners group, has been a nice little earner over the years. Hit hard by recession, profits have recovered smoothly during most of the 1990s and, after a pause for breath last year, the group now looks on course to resume the growth track.

Yesterday's figures reflect de-stocking, especially by electronics and telecoms customers, plus the weak market for housing-related products like curtain rails, which hit McKechnie from the end of 1995. Pre-tax profits up 11 per cent to £50.3m in the 12 months to July were only kept moving by the £5.7m operating contribution from three acquisitions picked up during the year.

Even so, the strength of McKechnie's market positions meant it could squeeze another 1.5 points out of gross margins in the year.

The de-stocking problem now seems to have eased, while the recovery in UK housing sales should spell good news - around 15 per cent of the business is dependent on the domestic DIY market. The 10 per cent of sales, mostly fasteners, which currently go into aircraft should also prosper during the current boom in orders. There should be some growth in the automotive side, around a quarter of the group, which will be boosted by a first-time contribution from last month's £15.3m acquisition of Dzus, a maker of clips.

The only question mark is the fifth of sales made into the depressed Australasia new housing market, although McKechnie is confident that will pick up next year. Meanwhile, gearing of 22 per cent leaves the management well placed for further acquisitions.

Profits of £62m this year would put the shares, up 22.5p to 551p, on a forward multiple of 13. Stay aboard.

## Chelsfield shifts focus with bid for Exclusive hotels

TOM STEVENSON  
City Editor

Chelsfield, the property company run by Elliott Bernerd, has entered the bidding for several of the Exclusive hotels being sold by Granada. Any acquisition would represent a further shift in emphasis towards the leisure industry for Chelsfield, which has a wide range of property interests including shopping centres, offices, a film studio and golf course, but as yet no hotels.

Mr Bernerd is understood to be interested in acquiring hotel rooms to serve its Wentworth golf course operation both near to the course and in central London. The Wentworth operation gives away large amounts of business to local and London hotels and its thought to be keen to claw some of it back.

Granada said recently it hoped to announce the disposal of the former Forte luxury hotels by the end of the year. Chelsfield already has in-house expertise in the hotel sector

through the head of the Wentworth business, Willi Bauer, who used to run the Grosvenor House hotel in London.

Chelsfield's interest in hotels is in keeping with the company's move in recent years away from traditional property investments such as office blocks, which Mr Bernerd believes have only limited scope for growth. He has focused instead on big retail and leisure investments such as the Merry Hill shopping centre in the West Midlands, Wentworth and a proposed £50,000 square foot centre at White City in West London, which Chelsfield is developing in partnership with Godfrey Bradman, the former head of Rosehaugh.

One office development, Wool House in London's Carlton Gardens, has been put on hold while the company determines whether to apply for permission to turn the site into luxury apartments. Chelsfield owns several riverside office buildings in London which it is planning to convert into residential schemes, including one next to the Globe Theatre in Southwark.

Mr Bernerd said Merry Hill continued to be the principal contributor to a strong retail income performance. Rents rose 14 per cent in the period to £17.4m. An application to build a 450,000 square foot extension to the shopping centre, which since June has been wholly owned by Chelsfield, is on the desk of the Environment Secretary, John Gummer. The project would involve a £100m investment.

Chelsfield has become one of the property sector's best-regarded companies since floating three years ago. Earlier this year it launched a £10m rights issue. Take up was over 99 per cent.

## British Gas man to take top job at Enterprise Oil

MAGNUS GRIMOND

Enterprise Oil yesterday moved to ensure an orderly succession at the top after it announced that Pierre Jungels, head of exploration and production at British Gas, would take on the chief executive's job from Graham Heame, who is also the oil group's long-standing executive chairman.

Mr Heame will move to a non-executive role, while Mike Pink is to retire as managing director after two-and-a-half years in the job. He is expected to receive a payoff not exceeding his annual salary of £230,000.

The appointment of Mr Jungels, a Belgian, who starts the £50,000-a-year post in January, sent shares in Enterprise 3.5p higher to 519p yesterday.

Mr Heame is credited with building Enterprise into a major oil exploration and production group since its spin-off from British Gas in 1984, but he

has not been popular with the oil group's shareholders, who have seen a 52-year-old Mr Jungels would be seen as a safe pair of hands, keeping the seal warm for the up and coming "young turks" among the junior management at Enterprise. He added.

Mr Heame said it would be his 60th birthday next year, the normal date for retirement at Enterprise. "I wrote the rule book ... and I think it's not bad to get a new chief executive after 13 years."

The board had been working on succession policy for some time and had always expected that Mr Pink, who also reaches retirement age next year, would bow out.

Mr Jungels would be "chief executive in every sense of the term", but he also said he intended to carry on as chairman for a few more years. Mr Jungels only joined British Gas at the end of last year, just before the group announced plans to break itself into two parts.



Pierre Jungels: takes over from Graham Heame

## Blue Circle in joint venture to develop Kent land

Blue Circle Industries is forming a joint venture to develop its surplus land holdings, in particular the cement company's 2,250 acres in north-west Kent, where it has already submitted a planning application to develop 175 acres in the Ebbsfleet valley.

The venture is with Land Lease and will be called White-

cliff, which will have a six-member board.

The total north-west Kent area also includes the 1.6 million square feet Blue Circle retail and leisure centre, in which Blue Circle and Land Lease are already in partnership, and Blue Circle's 3 million square feet mixed use Business Park at Crossways.

Blue Circle hopes that outline planning permission for the de-

velopment at Ebbsfleet will be granted in mid-1997, facilitating the first phase of £200m development to be ready for occupation in 2003, to coincide with the opening of the station.

At the outset, Stuart Horner, chairman of Land Lease, will be chairman of Whitecliff, and Keith Orrell-Jones, chief executive of Blue

Circle, will be deputy chairman. Tony Kemp, Blue Circle property director, will be the chief executive and John McCready, a director of Blue Circle Properties, will be chief operating officer.

Blue Circle said its group lands division will not be affected by the creation of the joint venture.

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## DATA BANK

FT-SE 100	3910.5	-9.2
FT-SE 250	4288.2	-6.4
FT-SE 350	1952.6	-4.2
SEAQ VOLUME	636m shares	
	37,356 bargains	
Elite Index	93.18	+0.03

## SHARE SPOTLIGHT



SONY/EMI/JAS

Brenton, Jones





# Llewellyn focused on the future

Chris Hewett meets the second-row forward who upset the authorities in Wales by leaving Neath and crossing the Severn Bridge to join Harlequins

**G**areth Llewellyn has always had his critics, but the doubters who portray the most-capped forward in Welsh rugby history as a lazy under-achiever have finally lost the argument. If Kevin Bowring, the national coach, was ever going to drop his prodigiously gifted but wayward second row, it would have been this week. Instead, Llewellyn puts on the red shirt for the 49th time when France visit Cardiff for a friendly international tonight.

The urbane and articulate Bowring is nobody's idea of a one-eyed patriot, but he talks earnestly about "Welshifying" his side. "We made strides in last season's Five Nations' Championship by adopting a style that was not romantic, but attempted to practically fulfil what we could best offer as a culture and a race," he said. Llewellyn, the Neath captain, might fit snugly into that vision, but Llewellyn the Harlequins mercenary?

It is significant that while Bowring feels able to ignore, for the time being at least, some outstanding talents who had just returned to the valleys from rugby league — Scott Gibbs, David Young, Stuart Evans and the injured Richard Webster are all in the current Welsh squad — he is not willing to sacrifice his prodigious lock. Much to the chagrin of his detractors, Llewellyn will be the one exile on view at the Arms Park.

Back in the summer, his international future looked anything but secure. His decision to pursue a professional career on the wrong side of the Severn Bridge caused such a furore that the mild mannered Bowring was moved to lambast "the English millionaires who have set a market rate that is totally unrealistic" and raise

"I was convinced the switch would be good for me and there was nothing that could stop me'

"Now that he's out of that incestuous Welsh club environment, he's in the perfect position to establish himself alongside Martin Johnson as the best lock in British rugby."

Bowring's view that the Welsh overreacted to Llewellyn's move — "the way they went on might just as well have been signing to play for Mars" — is shared by the player himself. "At the time, it was a real pain," admits the 27-year-old, who captained his country on their 1993 tour of Zimbabwe and Namibia and then on three occasions as a stand-in for the injured Ieuan Evans two season ago. "But I was convinced the switch would be good for me and I knew that legally, there was nothing anyone could do to stop me."

The financial package was obviously a big temptation but my friendship with Jason



Gareth Llewellyn (centre) is the only member of the Welsh side to play in England. Photograph: Neal Simpson/Empics

Leonard [the Quins captain and England prop] was also a deciding factor.

"I'm a full-time rugby player now and as a result, my fitness is probably better than it has ever been. I'm keen and focused and I feel in good shape. This is a big season for all of us. There are high-profile tour games to look forward to and

a Lions trip to push for and I very much want to be a part of everything that's going on."

"Neal to Harlequins sounds like it should be a real culture shock and in some ways it has been, of course. But Quins are trying to do the same sort of things we were attempting at Neath last season — fast, dynamic, 15-man rugby for the full

80 minutes — so in that sense, I feel at home. Also, we are trying to keep the ball in play for far longer, which is one of the things Wales came up against when we toured Australia in the summer."

"As far as I'm concerned, tonight's game will tell us how much we have learned from that trip; we encountered new

a new benchmark."

## American football

NFL Indianapolis Colts 10 Miami Dolphins 6.

### Cricket

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